



# 2012-13 TLC ANNUAL PLAN

## MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

**INSIDE THIS ISSUE:**

Message from Chair and CEO	1
Mission Statement	2
Governance	2
Management	2
Overview	3
TDSB Long-term Planning	4
TDSB Redevelopment Projects	6
Asset Categories	7
Asset Management	8
Property Management Services	10
Swim Toronto	12
Budget 2012-13	13
Summary of Sales	15
Property Specific Reports	18

The Toronto Lands Corporation has successfully met its targeted sales for the 2011-12 fiscal year. The lessons learned during this demanding year will support the future challenges that are anticipated for 2012-13. It is without question that the 'low hanging fruit' has been picked. The remaining properties that have been identified as surplus and directed to the Toronto Lands Corporation for sale will pose more challenges, be more time-consuming and will require greater staff time and effort to complete.

During this past academic year, the TLC has encountered unique circumstances associated with various sites declared surplus by the Toronto District School Board. For the first time, the TLC recommended to the TDSB that a surplus declaration for a site be rescinded. Issues related to severing sites, separating underground services, Toronto Regional Conservation Authority restrictions, drainage and flooding issues, represent only some of the challenges faced by the TLC in its efforts to sell surplus sites.

This past year also marked a substantial addition to responsibilities assigned to the TLC through the Shareholder's Direction. In early 2012, the TDSB requested that the TLC assume leadership for six redevelopment projects already approved by the TDSB. The projects involve the continued presence of a school site at each location, along with a new development that will provide the revenues needed to cover the cost to build the new school and to contribute to the overall Capital Building Program. In conjunction with this change, a senior level position, Chief Architect, was reassigned to the TLC to support this work. Along with a TDSB-based staff team, the Chief Architect will provide leadership to the redevelopment projects with initial approvals being sought from the TLC Board and then the TDSB.

This coming year will also mark the end of a second term for several citizen Directors serving on the Board of the Toronto Lands Corporation. As a corporation, we have been extremely fortunate to have a Board of Directors comprised of experts in the field of real estate. The ongoing support and advice of Directors has proven invaluable in supporting the TLC staff team in its development of recommendations regarding property matters. It is with continued thanks and appreciation to the TLC Board, the TLC staff team, the TDSB Board and the TDSB staff that this fifth annual report for the Toronto Lands Corporation is presented.

Sincerely,

David Crombie, Chair

Shirley Hoy, Chief Executive Officer

## MISSION STATEMENT

To improve the quality of education for students in TDSB schools by maximizing value to the TDSB through the management and, where determined by the TDSB to be appropriate, the redevelopment and/or sale of properties no longer required by the school board.

The TLC is committed to improving the long-term success of the TDSB and understands that its properties and projects often lie at the heart of neighbourhoods. The TLC is committed to fulfilling its mission while recognizing the importance of community building.



## GOVERNANCE

The Toronto Lands Corporation was established in 2007 on the basis of a Shareholder's Direction, a legal document that outlines the relationship between the TDSB, as the sole shareholder of the corporation, and the TLC, its subsidiary corporation. In 2007, the Shareholder's Direction was drafted on the basis of what the TDSB envisioned would be required of the TLC. It also focused on the expectations surrounding the original group of 97 non-operational sites, transferred to the TLC for oversight and actioning (in accordance with TDSB resolutions). A summary follows:

- Of the 97 original properties transferred to the TLC, 20 were non-actionable from the start (core holdings and/or currently used of administrative/maintenance space).
- Of the 77 remaining properties, 63 have been actioned.
- Of the 14 remaining properties, all are un-actionable at this time.

With additional new sites directed to the TLC by the TDSB, a total of 134 sites now make up the TLC portfolio (this includes sites sold to date). A large portion of the portfolio however, continues to prove challenging for the TLC to sell and generate revenues. As a result, the TLC's ability to maximize revenues on behalf of the TDSB has diminished and has become more complex and challenging.

## MANAGEMENT

Shirley Hoy, Chief Executive Officer of the Toronto Lands Corporation, continues to provide leadership to the TLC Chair and its Board of Directors. She leads a team of seven staff in the areas of: property management and leasing, asset management and disposition, real estate legal advice, oversight of TDSB pools, and corporate administration.

In addition, a new position was added to the TLC staff complement in February 2012 – Chief Architect, TLC. With this position came the responsibility for the TLC Board to oversee the TDSB redevelopment projects. Staff recommendations per-

### Board of Directors

The TLC Board is comprised of ten Directors, highlighted in the 2011-12 Annual Report. TLC Directors are: David Crombie (Chair), Dino Chiesa (Vice Chair), Harold Brathwaite, Hugh Heron, Jane Marshall, Jane Pepino, and 4 TDSB Trustees – Sheila Cary-Meagher, Jerry Chadwick, Chris Glover and Sheila Ward. Brief biographies for the TLC Directors are posted to the TLC website.

In 2013, several Citizen Directors will come to the end of their second term of serving on the TLC Board. Only two terms of service are permitted by Directors in accordance with the Shareholder's Direction. With the guidance of the TLC's Nominating and Governance Committee, the TLC anticipates putting recommendations for new Directors forward to the TDSB before June 2013.

### Market Overview

The Shareholder's Direction requires that the Annual Plan be supported by a discussion of market conditions. The TLC reviewed market analysis provided by the following organizations:

- Canada Mortgage and Housing Corporation; and
- Toronto Real Estate Board.

See final page of this Plan for email links to the market analysis resources noted above.

taining to the Redevelopment Projects will be prepared by the Chief Architect with the support of TDSB staff, TLC staff and the expert advice of the TLC Board.

The TLC staff complement continues to be structured with flexibility and cost effectiveness in mind. Some staff members are retained on contract, one year at a time. Other staff members are seconded to the TLC through the TDSB. This approach allows for changes to be implemented at various times throughout the year, based on the workload at hand.

## OVERVIEW

With the establishment of the TLC, the TDSB transferred 97 properties to the TLC for oversight. Most properties were non-operating school sites along with some operating administrative and maintenance sites. They included :

- closed schools leased to a third party,
- closed schools that are vacant,
- Bill 30 schools under 99 year leases to the Toronto Catholic District School Board (TCDSB),
- vacant land sites, and TDSB administration or plant operations sites.

See 2010-11 Annual Plan, page 59, posted to the TLC website, for the original list of 97 sites transferred to the TLC for oversight.

Although transferred to the TLC for oversight, the TLC must await a surplus declaration by the Toronto District School Board before actioning a sale or lease on any property. Surplus declarations by the TDSB are approved following a rigorous review of student accommodation and programming needs in conjunction with school buildings in the area.

See the TLC website for an updated reflection of sites making up the TLC portfolio. Note that due to severances and additional sites declared surplus by the TDSB, a total of 134 sites are now reflected.

### ACCOMPLISHMENTS TO DATE:

As outlined in the Shareholder's Direction, the TLC has primary responsibility for providing:

1. Asset management services (optimizing values by timely sale or lease of assets);
2. Property management services (including leasing and lease administration); and
3. Project management services (overseeing redevelopment projects, TDSB school pools and other projects as assigned).

Since the establishment of the TLC, the following summary reflects the disposition of properties to date.

### *Dispositions (Sales) (see charts beginning Page 15)*

#### 2008-2009

Of the 97 non-operating school sites transferred to the TLC in the Spring of 2008, the TDSB approved the sale of 16 properties in June 2008. 15 of these sites have been sold (see page 15 of this Annual Plan).

#### 2009-2010

The TDSB declared nine sites surplus and directed them to the TLC for circulation under Reg. 444/98. One site was subsequently rescinded by the TDSB as a surplus site. The Alton Towers site was severed into two sites and sold as such; therefore, nine sites have been sold, due to the severance of one original site into two parcels (Alton Towers) (see page 15 of this Annual Plan).

An additional eight sites were available to the TLC for disposition as a result of:

- Easement requirements by the City of Toronto;
- Properties where negotiations for disposition had commenced prior to the start-up of the TLC. Negotiations and final sale concluded by the TLC.

All 8 of these sites were sold, see page 16 of this Annual Plan.

#### 2010-2011

Twenty sites were declared surplus for sale and directed to the TLC for circulation under Reg. 444/98. A status update for these 20 properties is noted on page 16-17; 13 sites have been sold, due to the severance of one original site into two parcels (Timothy Eaton).

#### 2011-2012

Eight sites were declared surplus by the TDSB. One of these sites has been sold and one has been rescinded by the TDSB as a surplus site. See page 17 of this Annual Plan.

Since September 2008, a total of 61 sites have been declared **surplus for sale**. Of this total, 46 sites have been sold at August 31, 2012. The gross revenue associated with the sale of these 46 sites is \$241.3M. These funds have been realized by the TDSB at August 31, 2012.

## OVERVIEW (CONTINUED)

### Disposition of Sites:

Since September 2008, a total of 61 sites have been declared surplus for sale. Of this total, 46 sites have been sold at August 31, 2012. The gross revenue associated with the sale of these 46 sites is \$241.3M.

### Leasing and Property Management:

The existing TLC Leasing and Property Management portfolio continues to generate revenues which support the operating costs for the corporation. As properties continue to be sold, and lease revenues decrease, the TLC operating requirements will be analyzed in order to reduce expenditures as much as possible so that the corporation can stay within the existing operating envelope.

The TDSB has declared one operational school *surplus for lease* during this past year.

*Kent Senior Public School* is now on the open market for lease (3 year term with option to renew). The lease

term has been identified in conjunction with the intended redevelopment in the Bloor-Dufferin area, which will involve Kent Senior Public School.

As well, the TLC has facilitated several lease agreements for TDSB programs to continue, for a specific term, in sites that have been sold. These are:

- *West Toronto C.I.* – several classrooms were leased back by the TDSB in order to accommodate continuing education and general interest programs in this area. The term associated with this lease is for a minimum of 5 years.
- *Arlington P.S.* – several classrooms were leased back by the TDSB until June 2012, in order to accommodate the final year of the Grade 8 class from Arlington P.S.

## TDSB LONG-TERM PLANNING

The Toronto District School Board has faced funding challenges since the amalgamation of seven predecessor boards in January 1998. At that point, the newly formed TDSB's ability to raise taxes through the City of Toronto was eliminated and the Ministry of Education became the single and only source of funding for the TDSB. Fourteen years have passed since amalgamation. In that time period, some key changes in education have taken place:

- The introduction of a new Ontario curriculum.
- The elimination of Grade 13.
- The establishment and implementation of a funding-formula that continues to demand review and attention by boards of education across the province.
- The introduction of full-day kindergarten.

Although the amalgamation of the seven boards in Toronto led to many challenges, it

also resulted in efficiencies and effectiveness that were not anticipated at the early stages.

Already an aging school inventory, fourteen additional years with limited funding have taken a toll on the infrastructure of the system overall. Couple this decline with the improvements that modern-day learners require in their learning spaces because of advancements in technology, and one is left with a school system of aging buildings where delivery of programs are marginalized at best.

The Ministry of Education has been clear with the TDSB – in order for the TDSB to receive capital funding for school improvements and/or for new school buildings, its surplus schools must be sold in order to maximize revenue. This direction was one of the key drivers in the TDSB's decision to establish the TLC.

### **TDSB Capital Building Program**

In keeping with Ministry of Education direction, the TDSB has been focused on eliminating the capital deficit of the Board as well as seeking Ministry approval for the Board's additional capital projects. In June 2012, the TDSB gave approval to a Five-Year Capital Building Program, 2011-16. The key components of the Capital Building Program are:

1. Existing Capital Program Forecast – building underway with funding from Ministry and/or another public partner.
2. Pupil Accommodation Review Committee Projects (PARCs) – based on accommodation needs identified from PARC reviews during the last three years.
3. Redevelopment Capital Program Forecast – six redevelopment projects have been approved by the TDSB for action.
4. New Capital Program Forecast – includes additional capital needs based on operational requirements, identified in the past year.

Note: At August 31, 2012, approval of the TDSB's Five-Year Capital Building Program by the Ministry of Education remains outstanding.

West Toronto C.I.  
330 Lansdowne Avenue  
Toronto



### **TLC Proceeds from Sale and/or Lease**

A primary source of funding for the TDSB Capital Program is the proceeds from the sale of surplus sites. The TDSB must continue to declare sites surplus for sale in order to generate the necessary revenues needed to see itself in a positive position by August 31, 2013. The TLC will support this direction by:

- Annually reviewing sites in its portfolio and recommending sites for surplus declaration based on the market, timing, feedback from TDSB planning team, etc.
- Working with TDSB staff to review large acreage operational sites and providing real estate advice as to which would be good candidates for severance and sale of vacant land.
- Working to maximize lease revenues by renegotiating rents to fair market rates where possible.
- Continuing to work with partners who benefit from TDSB support and subsidy, to seek financial support from other sources where possible.
- Guide the real estate work associated with the TDSB redevelopment projects, providing for the TDSB to focus on what is required to best meet its students' needs.

### **TDSB Long-term Program & Pupil Accommodation Strategy**

The TDSB Capital Program forecast will continue to be updated as decisions are made by the Toronto District School Board. TDSB staff continue to bring forward recommendations focused on pupil programming needs in association with accommodation needs. On June 20, 2012, the TDSB gave its staff approval to pursue public consultation in relation to a *Long-term K-12 Program and Pupil Accommodation Strategy*. This pro-

posed strategy will ensure an opportunity to thoughtfully and strategically create a relevant and sustainable future for students. Such an approach will provide communities with an earlier understanding of sites to be closed, renovated, etc. This information will be substantiated with clear projections from planning in relation to enrollment and programming needs.

TLC staff will support this initiative by monitoring its progress, with a specific focus on the real estate potential that may come to light throughout the process.



## TDSB REDEVELOPMENT PROJECTS

The Toronto District School Board, at its meeting on October 28, 2009, launched 10 Accommodation Review Committees (ARCs) and identified five potential redevelopment opportunities as part of the five-year Capital program. They are:

- Davisville-Yonge;
- Lawrence Heights;
- Bloor-Dufferin;
- Lawrence-Midland (Revitalization Project); and
- Oakburn-Avondale.

A sixth project, Ryerson community, was approved in 2011.

The TDSB has requested that the TLC take the lead, as its agent, on the real estate work associated with these projects. In conjunction with this request, a full-time staff position from the TDSB was reassigned to the TLC, to provide leadership to these initiatives.

At August 2012, the two priority projects are:

- Oakburn-Avondale, and
- Lawrence-Midland.

Both projects have undergone substantial public consultations within their respective communities. TDSB Trustees have worked to keep their City Councillor counterparts informed. The consultations have been successful in achieving local community support for a proposed master redevelopment plan for these sites.

### Oakburn-Avondale

The Oakburn-Avondale redevelopment project comes as a result of long-standing accommodation pressures in Ward 12. A new facility will provide for additional pupil places to meet these pressures as well as additional space for existing TDSB programs that would be better-placed in this area. At this time, the TLC and TDSB (boards) have given approval to the progress of this project, the Land Use Management Master Plan and the Maximum Build-to Envelope. The TDSB has declared 3 acres of (soon to be) vacant land for redevelopment, which

will be circulated in accordance with Reg. 444/98, by the TLC. Approval is now being sought from the Ministry of Education in relation to the *space template* and related 'construction' funding for a new school building.

A further progress report will be prepared once approvals are received from the Ministry of Education. Both the TLC and TDSB boards will be updated at that time (anticipated fall 2012).



Oakburn-Avondale Redevelopment Site

### Lawrence-Midland

The Lawrence-Midland redevelopment project comes as a result of the completion of an ARC for this area. The final ARC recommendations included the consolidation of Bendale BTI and David and Mary Thomson CI into a new building, along with the conversion of Donwood Park PS to a JK-Grade 8 school in a campus setting with the new secondary school. At this time, the TLC and TDSB (boards) have given approval to progress with this project, the Land Use Management Master Plan and the Maximum Build-to Envelope. The TDSB has declared 18 acres of a school site and vacant land as surplus for redevelopment. This land and school site will

be circulated in accordance with Reg. 444/98, by the TLC. The Ministry of Education has approved the *space template* along with \$37.2M for building the new school. Approval is now being sought to cover the extraordinary construction costs, which are part of the total project costs, from the Ministry of Education.

A further progress report will be prepared once approvals are received from the Ministry of Education. Both the TLC and TDSB boards will be updated at that time (anticipated fall 2012).

### Summary

The TLC anticipates presenting the three additional redevelopment projects to both the TLC and TDSB (boards) in fall 2012, once community support is secured in each area. The Lawrence Heights Revitalization project is being led by the City of Toronto. The TLC and TDSB await the City's outline of the various phases associated with this development project.

## ASSET CATEGORIES

TLC staff has undertaken a strategic review of all assets under its administration. The objective of this review was to inform TLC decisions on reinvestment and to maximize rental income wherever possible. Key considerations included:

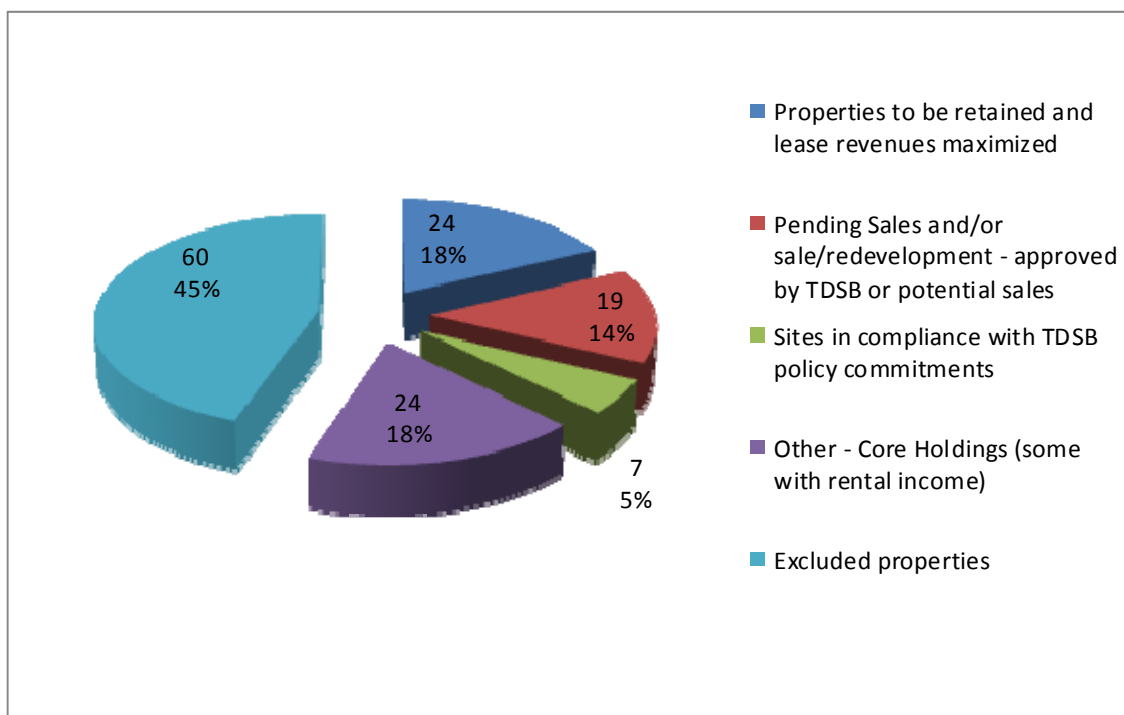
- Prioritizing opportunities in the TLC portfolio;
- Reducing risks in the TLC portfolio (financial, political and social); and Ensuring compliance with TDSB policy commitments to students, children and community.

The review led to the categorization of sites into four main areas noted below. For a detailed description for each of the categories below, please see the TLC 2011-12 Annual Plan, Asset Categories, page 15, posted on the TLC website.

Category 1	Properties to be Retained and Lease Revenues Maximized (24)
Category 2	Pending Sales and/or Potential Sale and Redevelopment – Approved by TDSB Board or potential future sales (19)
Category 3	Sites in compliance with TDSB Policy Commitments (7)
Category 4	Other – Core Holdings, Future TDSB Redevelopment and Administrative Holdings (24)
Category 5	Excluded Properties include properties noted below (60): <ul style="list-style-type: none"> <li>• 9 Bill 30 schools</li> <li>• 46 sites sold at August 31, 2012</li> <li>• 3 sites reopened as TDSB operating schools</li> <li>• 2 land exchanges with the City of Toronto</li> </ul>

A total of **134 sites**, comprising the full TLC portfolio at August 31, 2012, are reflected in the pie chart below. For a complete list of the TLC portfolio, visit the TLC website, About Us, 2012-13 TLC Annual Plan, TLC Portfolio. For a list of properties by Asset Categories as reflected below, visit the TLC website, About Us, 2012-13 TLC Annual Plan, Asset Categories.

### Asset Categories



# ASSET MANAGEMENT

## 1. ASSET MANAGEMENT PORTFOLIO OVERVIEW

For the period between 2008 and August 2012, 63 sites have been declared surplus for sale. The following summary is provided (see page 15 of this Annual Plan for chart summary):

- **61 properties declared surplus;**
- **46 Properties Sold to date** (Alton Towers & Timothy Eaton counted as 2 sales each, due to severance of original sites into 2 parcels);
- **24 (53%) Sold to Public Agencies: 10 to City of Toronto, 9 to co-terminous boards, 5 to other public agencies;**
- **22 (47%) Sold to private companies.**

## 2. CURRENT MARKET CHALLENGES

Of the 46 sites sold to date, 47% have been sold to private purchasers and in most cases for infill redevelopment of single family homes with sales exceeding the appraised values by 20 to 40%. As the market for single family homes is strong, these deals produce the highest revenue opportunities for TDSB properties.

## 3. DISPOSITION CHALLENGES

The current TLC disposition portfolio is experiencing numerous challenges as the available sites diminish and many of the remaining properties suitable for sale are encumbered by site conditions that either impact on value, increase market timelines, decrease number of bids, or result in the withdrawal of conditional offers.

The major challenges for realizing full revenue potential from the disposition portfolio are listed and described below.

- a) Selling sites with low ministry capacity ratings below fair market value to other co-terminous board based on the ministry formula and sales to other public agencies based on appraised values.
- b) Securing additional sites for disposition from the TDSB.
- c) Sites requiring severance take considerable time, expense and resources before sales can be completed and revenues realized.
- d) Sites with substantial environmental concerns i.e. on land fill, adjacent to ravines protected by the City Ravine Protection Bylaw or, inadequate services to the site to support redevelopment plans.
- e) Gaining community understanding/support for sale of school properties that are considered green space.

### a) Selling sites for less than Fair Market Value (Reg. 444/98 requirement):

To date 53% of the surplus properties have been sold to public agencies. These sales represent the majority of the properties. Although the Education Act Ontario Regulation 444/98 requires that properties be sold at fair market value (FMV), there is an exception for co-terminous boards. A formula based on capacity determines the sale value as long as the school is used or was last used for pupil accommodation. In some cases this value is considerably less than FMV if the site is valued at highest and best use, ideally residential redevelopment. However, the Education Act does include a provision that allows the selling Board the option to repurchase the site, at the original sale price, within 25 years of sale, if the site is not used for educational purposes over a consecutive 12 month period.

In terms of the other public agencies (not Boards of Education), negotiating a FMV sale price provides a challenge due to limited funding sources and budgets of public entities. Since these sites are sold without going out on the open market – the sales prices are based on appraised values determined by both parties. In some cases, program/community partnership benefits are considered in lieu of achieving full market value.

### b) Securing additional sites for disposition from the TDSB:

Of the current TLC portfolio there are approximately 20 sites that may provide opportunities for generating revenues as a result of sales. The TLC requires additional sites from the TDSB that will provide for a more sustainable revenue flow to support the TDSB capital plan.

### c) Severance Sites:

Due to the number of large sites owned by TDSB, there are opportunities, by way of severance, to consider the sale of vacant land parcels. These properties typically will end up on the open market for redevelopment realizing the highest value per acre. However, the costs, resources, site conditions and approval times need to be considered when determining suitable sites. TLC is working with TDSB on a system wide review of potential sites for severance and sale of vacant lands.

### d) Sites with environmental concerns:

TLC has been challenged with the sale of a number of sites encumbered by environmental issues and this has had a negative impact on the ability to realize full revenue poten-



tial. In some cases, offers have been recalled following due diligence review where landfill conditions restrict the ability to develop the lands or create concerns for future liability. In other cases, sites lack adequate municipal services to support additional intensification. Properties that back onto Ravine lands are governed by the ravine Protections Bylaw with stringent requirements for top of slope protection and set backs, thus reducing the net developable area of the site.

**e) Gaining Community understanding**

In many cases, lands around schools provide valued green space to its surrounding communities. School properties are considered public assets and most communities demonstrate a deep sense of attachment to their community school. Gaining community support for any kind of change that impacts the current property conditions provides challenges for the TLC, TDSB and the City of Toronto.

**Summary:**

The above mentioned challenges impact the TLC’s ability to maximize revenues generated from the sales of TDSB properties. As an agent of TDSB, the TLC is charged with the mandate to ensure any sale realizes the full property potential in order to maximize revenue in support of TDSB’s capital funding objectives.

As a public agency, there is a need to balance the concerns for the disposition of public assets and the mandate from

the Ministry of Education to dispose of surplus properties at fair market value to support the current capital plan.

**4. STRATEGIC CONSIDERATIONS IN DEVELOPING RECOMMENDATIONS**

The TLC undertook a review of its current portfolio and evaluated sites for disposition potential based on highest opportunity for sale. The criteria for selection included the following:

1. Identify/prioritize opportunities in TLC portfolio;
2. Identify/reduce risks in TLC portfolio; and
3. Identify large properties valued as favourable opportunities for potential severance (with leases that are not expiring or considered for termination) and sell the vacant land portions.

For a description of the strategic considerations noted above, please access the 2011-12 TLC Annual Plan, pages 24 and 25 or visit [www.torontolandscorp.com](http://www.torontolandscorp.com), About Us.



Arlington P.S., 501 Arlington Avenue



William G. Miller, Vacant Land, 60 Bennett Road, Toronto

To date 53% of the surplus properties have been sold to public agencies. These sales represent the majority of the properties.

**RECOMMENDATIONS FOR 2012-13**

The TLC recommends that the following sites be declared surplus for disposition during 2012-13.

- Earls court/Stella Maris
- Hughes PS

The TDSB gave approval to the TLC recommendations at its June 2012 Board meeting. See **Page 18** of this Annual Plan for Property Specific Reports.

# PROPERTY MANAGEMENT SERVICES

## 1. LEASING PORTFOLIO OVERVIEW

### Size of Portfolio

As of July 1, 2012, TLC's active leasing portfolio comprises 54 rental units representing a total area of 1.075 million square feet. This total excludes 4 vacant buildings currently marketed for sale and one large property (103,000 sf.) which will be transferred to TLC lease portfolio in the fall of 2012. Also excluded are the portions of TLC administered buildings occupied by TDSB operating programs or administrative groups.

### Tenant Mix

The distribution by Tenant Type is summarized in Figure 1. The land areas of the five land leases are intentionally excluded from the square foot total because of their unique nature.

**Figure 1—Actively Managed Lease Portfolio – Tenant Distribution**

Tenant Type	Rental Income and Square footage by Tenant type		Total Tenant Leases by Tenant Type	
	% of Ttl. Rental Income	Sq. Ft.	Current No. of Tenant Leases	% of Ttl. Leases
Vacant units	0.0%	27,597	0	0.0%
Not for Profit	1.8%	27,945	4	7.7%
Other Child Care	2.9%	20,056	3	5.8%
City Child Care	3.6%	51,740	11	21.2%
Land Lease	4.0%	n/a	5	9.6%
City of Toronto	4.5%	57,387	2	3.8%
Religious School	5.5%	61,581	1	1.9%
Social Agency	10.5%	103,239	4	7.7%
Special Needs Children	11.1%	131,993	7	13.5%
Other Boards	16.7%	241,952	4	7.7%
Private Schools	39.4%	352,272	11	21.2%
	100.0%	1,075,762	52*	100.0%

### \*Note:

Although 54 rental units are available in the TLC portfolio, only 52 of these units are currently leased. Two units remain vacant, at Old Orchard and Castlebar. These two units are not reflected in the far right columns.

The four largest tenant groups by square footage are Private Schools (32.7%), Other Boards (22.5%), and Special Needs Children Programs (12.3%). Counting the number of leases, the largest groupings are Private Schools and City Childcare facilities (20.4% each), Special Needs Children programs (13.0%), and Land Leases (9.3%). The higher ranking for Other Boards reflects their larger average unit size (60,488 sf.) when compared to the City Child Care facilities (4,704 sf.) and the Special Needs Children programs (18,856 sf.).

### Contribution to total Rental Income

The significance of the Private School sector within the TLC portfolio is reinforced when examining their contribution to total rental income.

As shown in Figure 2, the ranking of the top four tenant types by total square footage remains relatively constant when you consider their share of gross rental income.

**Figure 2: Contribution to Total Rental Income by Tenant Type**

Tenant Type	Sq. Ft.	No. of Tenants Represented	% of Total Revenues from Rent
Other Child Care	20,056	3	5.8%
Vacant units	27,597	0	0.0%
Other Not for Profit	27,945	4	7.7%
City Child Care	51,740	11	21.2%
City of Toronto	57,387	2	3.8%
Religious School	61,581	1	1.9%
Social Agency	103,239	4	7.7%
Special Needs Children	131,993	7	13.5%
Other Boards	241,952	4	7.7%
Private Schools	352,272	11	21.2%
Land Lease	n/a	5	9.6%
	1,075,762	52	100.0%

**2. LEASING CHALLENGES**

The major challenges to increasing revenues from the leased portfolio are listed below:

1. Tenant Affordability
2. Tenant Compatibility
3. Restricted Hours of Access
4. Property Condition
5. Average Term of Lease
6. Child Care Tenancies

Please see 2011-12 TLC Annual Plan, pages 20-21, posted on the TLC website for an overview of the Leasing Challenges noted above.

As of July 1, 2012, TLC's active leasing portfolio comprises 54 rental units representing a total area of 1.075 million square feet.

Bluehaven Centre, 5 Bluehaven Crescent, Toronto, Ontario



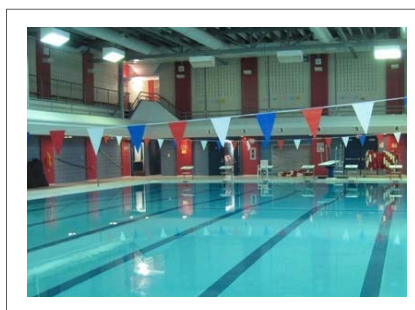
# SWIM TORONTO

The TLC continues to manage 31 of the TDSB pools on behalf of the Toronto District School Board. Reporting to the TLC Board of Directors, the Swim Toronto Committee throughout 2011- 2012, has fulfilled its mandate with the following key achievements:

1. The completion of the tri-partite agreement between the Ministry of Health Promotion & Sport, TLC and TDSB, in which the Ministry committed \$15.8M to capital improvements in the 31 TDSB pools.
2. An agreement with the City of Toronto for a five year term from June 2012 – June 2017, for the continued use of the remaining 33 TDSB school pools (managed by the TDSB) for the seamless delivery of recreation aquatic programs to Toronto residents through the City.
3. The enhancement of a TLC Swim Toronto webpage to include:
  - an interactive map of all pool sites across the City
  - a calendar booking set-up, which allows all permit

holders to book tentative permits on the TLC website, and view available space at the 31 pools in order to expand programs.

4. Initiated discussions by engaging the AWG and stakeholders with regard to a new fee structure that parallels the TDSB permit policy, for implementation September 2013. The following components will be included:
  - An incentive based structure where fees are charged in accordance with pool prime-time hours and non-prime hours.
  - An increase to the base fee by 20 per cent on prime-time hours.
  - A clear understanding of caretaker over-time fees in relation to pools.



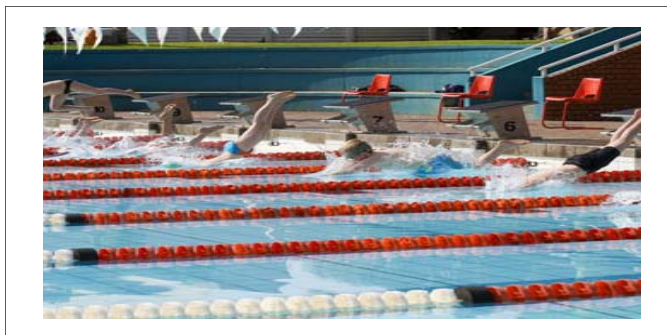
Riverdale CI

## LONG TERM SUSTAINABILTY OF POOLS IN SCHOOLS:

In an effort for all pools to be sustainable in schools for the long-term, the following objectives will be presented to the Swim Toronto Committee, for review and consideration, throughout 2012-13:

1. Implementation of the incentive based permit fee structure.
2. Development and implementation of a reliable means to track and record pool participation/bather load during school hours and community use of school hours, in accordance with the June 2012 – June 2017 TDSB-City Agreement governing the City use of 33 school pools (managed by the TDSB) and as legislated by the Health Promotion and Protection Act.
3. Continue to have regular meetings and work with the TDSB Facility Services & Maintenance staff, Principals, Administrative and Program staff to support improved customer service, ensure maintenance and inspection schedules are adhered to, monitor permit revenues and work toward increasing permit revenues where possible.

4. Develop a communications strategy to reach all current and potential pool users, along with existing TDSB staff and interested stakeholders.
5. Work with City of Toronto staff and the Aquatic Working Group (AWG) to develop a Board-wide model for the volunteer role of 'pool captain', its roles and responsibilities.
6. Expand the current Swim to Survive program by recommending a policy change to the TDSB that will provide for a Board-wide initiative to teach all Grade 4 students an essential life skill.



Central Technical Divers

# BUDGET 2012-13

Operating Budget	2011-2012 Budget	Approved 2012-2013 Budget
<b>Realty Lease Operations</b>		
Lease Revenue and Recoveries	\$ 8,403,661	8,520,031
Other Revenue	100,000	55,335
Sub-total	<u>8,503,661</u>	<u>8,575,366</u>
TDSB Program and Administration	1,171,656	1,257,696
Deferred Capital Improvement Revenue	(1,000,000)	(1,000,000)
<b>Total Revenue</b>	<u><b>8,675,317</b></u>	<u><b>8,833,062</b></u>
<b>Property Management Expenditures</b>		
Caretaking	2,830,000	3,042,000
Maintenance	2,340,774	1,823,000
Utilities	1,810,000	1,744,000
Total Operations Expense	<u>6,980,774</u>	<u>6,609,000</u>
Property Taxes	109,899	50,000
Provision for rental arrears	<u>50,000</u>	<u>20,000</u>
<b>Total Property Management Expenditures</b>	7,140,673	6,679,000
<b>TDSB Staff and Services</b>		
Facility Services	209,010	145,412
Business Services	81,596	94,366
Administrative Support Allocation	60,000	60,000
<b>Total TDSB Realty Staff and Services</b>	<u>350,606</u>	<u>299,778</u>
<b>Total Expenditures</b>	<u>7,491,279</u>	<u>6,978,778</u>
<b>Net Realty Lease Operations Profit / (Loss)</b>	<u><b>\$ 1,184,038</b></u>	<u><b>\$ 1,854,284</b></u>
<b>TLC Administration Expenses</b>		
Board Remuneration	70,000	70,000
Management Salary*	927,596	1,121,109
Professional Development	4,000	4,000
Supply and Services	63,000	63,000
Legal Fees	500,000	450,000
Fees and Contractual Services	367,500	417,500
Directors and Officer Insurance	25,000	0
Errors and Omissions Insurance	39,000	0
Casual Help	5,000	5,000
Furniture and Equipment	15,000	10,000
Other expenditures (incl. memberships, meeting expenses, postage, courier)	5,000	5,000
<b>Total TLC Administration expenses</b>	<u>2,021,096</u>	<u>2,145,609</u>
Net Revenue (loss) before Property Sales	<u>(837,058)</u>	<u>(291,325)</u>
Total Property Sales**	<u>77,994,657</u>	<u>90,900,000</u>
Net Contribution to TDSB Capital Fund	<u><b>\$77,157,599</b></u>	<u><b>\$90,608,675</b></u>

\*Reflects increase in TLC staff complement & addition of WSIB expense for TLC office staff.

\*\*The projected property sales figure reflected is based on properties declared surplus for sale by the TDSB at this date. Should additional properties be declared surplus for sale, this figure will be adjusted accordingly.



## BUDGET 2012-13 (CONT'D)

The TLC's fifth annual budget highlights some of the successes achieved by the corporation, on behalf of the TDSB, along with changes that have impacted the organization moving forward.

The following highlights are provided in relation to the 2012-13 academic year:

**For 2012-13,  
projected revenues  
from sales total  
\$90.9 Million.**

- Realty lease operations – projected increase of 1.7%
- Property management expenditures – projected decrease of 6.5% (operations)
- TLC administrative expenses – projected increase of 6.1%; primarily due to the reassignment of the Chief Architect position to the TLC complement. *Note that without the new staff position, the TLC's administrative expenses would have reflected a decrease of 6%.*
- Total property sales (gross) – projected increase of 17% based on approved properties for sale to date and their appraised values.

In general, the 2012-13 Draft Annual Budget is closely aligned to the budget for the current year. This presentation complies with TDSB's direction to flat-line all budgets for this coming academic year due to budget constraints.



Page Public School, 50 Page Avenue, Toronto, ON



## SUMMARY OF DISPOSITIONS (SALES)

Site	Location	Site Size (Acres Sold)	Status August 31, 2012	Purchaser
<b>2008-2009 Surplus sites</b>				
120 Borough Drive (West Parking Lot)	Scarborough	1.4	Referred back to the TDSB for ongoing operational use	
James S Bell	Etobicoke	.8	Sold March 2010	City of Toronto
Dublin PS	North York	5	Sold March 2010	City of Toronto
Franklin Horner	Etobicoke	3	Sold March 2010	City of Toronto
Harold Lawson	Scarborough	50% ownership of property	Sold Dec. 2009	Toronto Association Com- munity Living
Melody PS (partial site)	North York	3.38	Sold May 2010 Retained 4.42 acres	Toronto Catholic District School Board
Whitfield (partial site)	North York	3.4	Sold March 2010 Retained 3.5 acres	Toronto Catholic District School Board
840 Coxwell	East York	Attached to RH McGregor school	Sold May 31, 2012	Toronto East General Hospital
Shaw PS	Toronto	To be severed from Givins Shaw PS site	Sold December 2010	Artscape
Dundas Street Ware- house	Toronto	0.3	Sold November 2009	Private Owner
394 Leslie Street	Toronto	House lot, .01	Sold August 2009	Private Owner
396 Leslie Street	Toronto	House lot, .01	Sold November 2009	Private Owner
398 Leslie Street	Toronto	House lot, 0.1	Sold November 2009	Private Owner
400 Leslie Street	Toronto	House lot, 0.1	Sold November 2009	Private Owner
404 Leslie Street	Toronto	House lot, 0.1	Sold July 2009	Private Owner
406 Leslie Street	Toronto	House lot, 0.1	Sold July 2009	Private Owner

Site	Location	Site Size (Acres Sold)	Status August 31, 2012	Purchaser
<b>2009-2010 Surplus Sites</b>				
Alton Towers (site to be severed into 2 parcels)	Scarborough	10	Sold August 18, 2011	Private Owner
	Scarborough	5	Sold June 28, 2011	Conseil Scolaire Viamonde
Antibes Drive	North York	6	Sold June 2010	Private Owner
Boyne (portion)	Township of Mulmur	100	Sold August 2010. Retained 309 acres	Bruce Trail Conservancy
Lothian	Etobicoke	4	Sold September 29, 2010	City of Toronto
Noisy River (portion)	Township of Mulmur	80	Sold August 15, 2011. Retained 20 acres	Bruce Trail Conservancy
Page PS	North York	4.3	Sold May 2010	Private Owner
Sandhurst Circle	Scarborough		Recalled by TDSB	
Saranac	North York	1.6, playfield	Sold October 29, 2010	Private Owner
Storey Crescent	Etobicoke	5.9	Sold July 12, 2010	TRCA

## SUMMARY OF DISPOSITIONS (SALES) CONT'D

Site	Location	Site Size (acres sold)	Status August 31, 2011	Purchaser
<b>Other Surplus Sites Available for Disposition (2009-10)</b>				
19 Sackville (portion of land)	Toronto	Conveyance for road widening	Sold Nov. 2009	Waterfront Toronto
Edithvale (portion)	North York	3	Sold Dec 2008. Retained 5.5 acres.	City of Toronto
Heydon Park (old)	Toronto	1.7	Sold Sept 2008	Toronto Police Svs.
Carleton Village S.	Toronto	3	Sold Oct. 2008	Toronto Police Svs.
Champlain (portion)	North York	1.3	Sold April 2010. 1.3 acres retained. 1.7 acres assigned to the Tippett Centre site.	Private School
939 Progress Ave (building only)	Scarborough	On Centennial College lands	Sold June 30, 2010	Centennial College
Albion Gardens	Etobicoke	6.5	Sold Aug. 2009	Toronto Catholic District School Board
Glen Rush (portion)	North York	2.1	Sold Aug. 2009. Retained 2.9 acres	Private School

Site	Location	Site Size (acres sold)	Status August 31, 2012	Purchaser
<b>2010-11 Surplus Sites</b>				
Parkview	Toronto	2.2	Sold August 29, 2011	French Public School Board (CSV)
Pine River Outdoor Education Centre	Shelburne	195.9	Sale of site cannot proceed based on existing lease.	
Essex West	Toronto	95,600 Sq. ft.	Sold August 16, 2011.	French Catholic School Board (CSDCCS)
Anthony P.S.	North York	5.4	Sold August 27 2012	Muki Baum Treatment Centre
Appian Centre	North York	4.2	Sold August 25, 2011	Toronto Catholic District School Board (TCDSB)
Cummer LINC (full site)	North York	2.6	Public partner has submitted a firm offer. Negotiations are underway.	
Fairmeadow (vacant land portion)	North York	2.4	Sold January 24, 2012	Private Owner
Kenton P.S. (vacant land portion)	North York	2.7	Sold February 1, 2012	Private Owner
Silverthorn JPS	Etobicoke	2.7	Sold August 24, 2012	Private Owner
Richview	Etobicoke	6.2	Sold July 5, 2012	French Catholic School Board
Arlington MS	North York	1.24	Sold August 24, 2011	Private School
Silverview (vacant land only)	North York	2	Not yet circulated as additional direction required from TDSB.	

Site	Location	Site Size (acres sold)	Status August 31, 2012	Purchaser
<b>2010-11 Surplus Sites</b>				
Timothy Eaton BTI	Scarborough (vacant land)	5.2	Sold February 27, 2012	City of Toronto
	Scarborough (building)	7.0	Sold July 4, 2012	Private Owner
West Toronto C.I.	Toronto	8.6	Sold October 18, 2011	To French Public & French Catholic Boards
<b>Surplus Sites resulting from Accommodation Review Process (ARC)</b>				
Heron Park	Scarborough	To be confirmed	To open market Fall 2012	
Peter Secor	Scarborough	To be confirmed	Purchase and Sale Agreement signed	
Wm. G. Miller JPS (vacant land portion)	Scarborough	3.5	Sold August 9, 2012	Private owner
Brooks Road P.S.	Scarborough	To be confirmed	Reg. 444/98 circulation, Fall 2012	
McCowan JPS	Scarborough	6.1	To be directed to TLC and TDSB Boards in Fall 2012 for further direction	
Pringdale Gardens JPS	Scarborough	6.3	Reg. 444/98 circulation, Fall 2012	

Site	Location	Site Size (acres sold)	Status August 31, 2012	Purchaser
<b>2011-12 Surplus Sites</b>				
Alderwood C.I.	Etobicoke	8.5	Sold August 29, 2012	Private owner
Hardington (full site)	Etobicoke	5	Private purchaser has submitted a conditional offer	
McNicol (vacant land)	North York	4.9	In negotiations	
Noisy River (remaining portion)	Honeywood, ON	19	Deferred	
Regent Park/Duke of York	Toronto, ON	3.5	To be re-marketed, Fall 2012.	
Rexdale (portion, vacant land)	Etobicoke	1.5	Surplus declaration rescinded Feb. 2012. Core holding for TDSB.	
Bluehaven Centre	Toronto	6	On open market. Bids due Fall 2012.	
Briar Hill JPS	Toronto	2.4	Public partner has submitted a conditional offer. Negotiations are underway.	

# PROPERTY SPECIFIC REPORT—EARLSCOURT P.S.



<p><b>EarlsCourt/Stella Maris</b></p>	<p>21 Ascot Avenue – Toronto (St. Clair Ave. W. / Dufferin)</p> <p>Ward 9, Trustee Maria Rodrigues</p>
<p><b>Property Statistics</b></p>	<p>3.16 acres</p>
<p><b>Current Use</b></p>	<p>Building – Multi-tenanted</p>
<p><b>Tenant (s)</b></p>	<p>Two tenants: Hudson College and TCDSB</p>
<p><b>Comments</b></p>	<p>A part of the building is currently occupied by the TCDSB High opportunity for sale to the TCDSB</p>
<p><b>Recommendation</b></p>	<p>Terminate EarlsCourt tenants 2012/13 Sell to TCDSB in accordance with Joint Occupancy Agreement, (as amended)</p>

# PROPERTY SPECIFIC REPORT—HUGHES JR. P.S.



<p><b>Hughes Jr PS</b></p>	<p>177 Caledonia Rd., Toronto (St. Clair Avenue West / Dufferin Street)</p> <p>Ward 9, Trustee Maria Rodrigues</p>
<p><b>Property Statistics</b></p>	<p>2.1 acres Good frontage and potential for Residential development.</p>
<p><b>Current Use</b></p>	<p>Building – Multi-tenanted</p>
<p><b>Tenant (s)</b></p>	<p>Two tenants: YWCA and child care centre</p>
<p><b>Comments</b></p>	<p>Major tenant, YWCA, is not interested in purchasing.</p>
<p><b>Recommendation</b></p>	<p>That the Hughes site be declared surplus for sale by the TDSB and sold at fair market value.</p>

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## Market Overview

Please click on the links below to direct you to various resources of market analysis for Toronto specifically.

- Canada Mortgage and Housing Corporation  
<https://www03.cmhc-schl.gc.ca/catalog/home.cfm?lang=en&fr=1343235728230>
- Toronto Real Estate Board  
[http://www.torontorealestateboard.com/market\\_news/release\\_market\\_updates/news2012/nr\\_rental\\_report\\_Q1-2012.htm](http://www.torontorealestateboard.com/market_news/release_market_updates/news2012/nr_rental_report_Q1-2012.htm)  
[http://www.torontorealestateboard.com/market\\_news/market\\_watch/historic\\_stats/pdf/TREB\\_historic\\_statistics.pdf](http://www.torontorealestateboard.com/market_news/market_watch/historic_stats/pdf/TREB_historic_statistics.pdf)  
[http://www.torontorealestateboard.com/market\\_news/market\\_watch/2012/mw1206.pdf](http://www.torontorealestateboard.com/market_news/market_watch/2012/mw1206.pdf)

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