

CITY OF TORONTO REAL ESTATE

Update on the City-Wide Real Estate Transformation

September 2017



AGENDA

1. City-wide Real Estate Transformation Update
2. Q3 Report Discussion

COUNCIL APPROVED

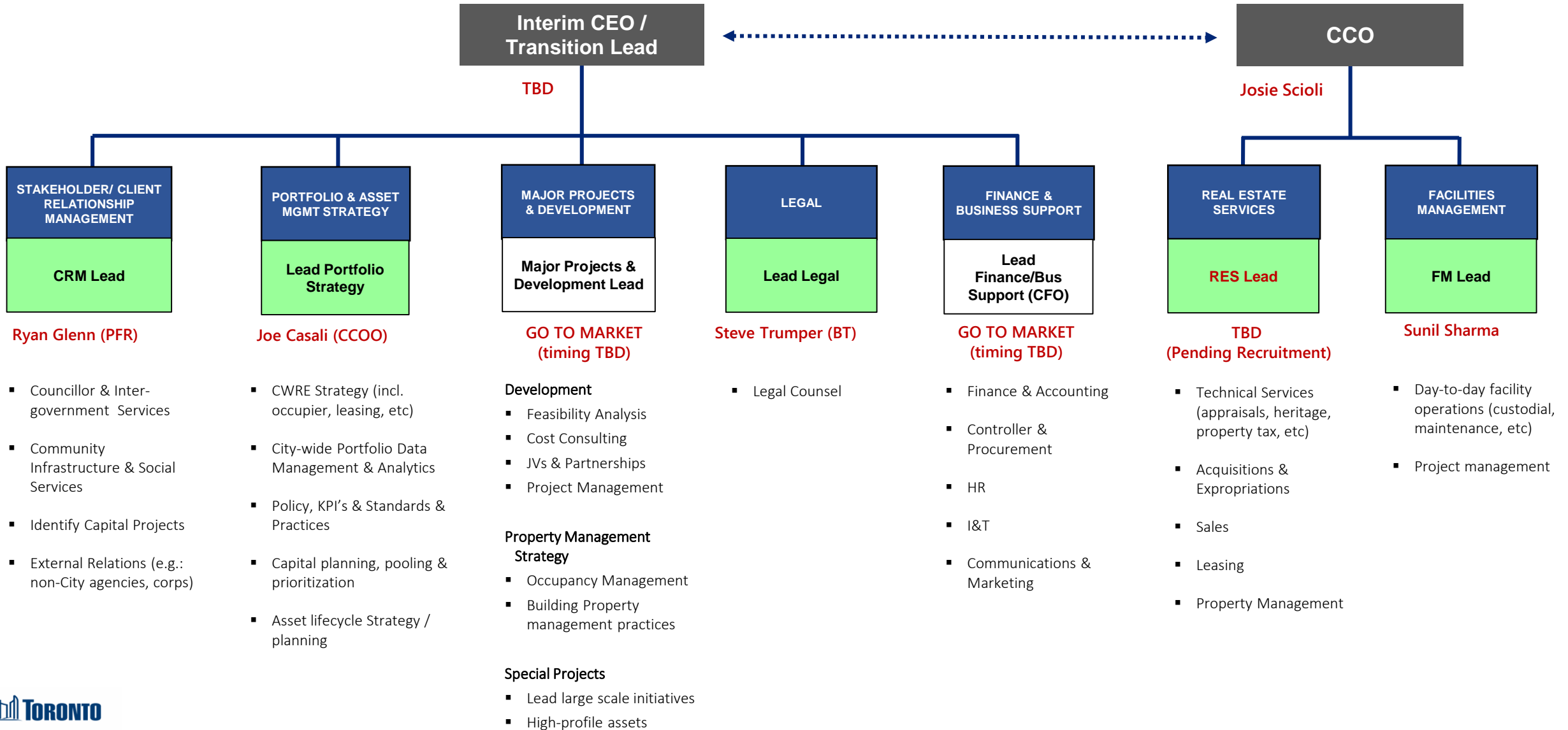
- Appointment of an interim board for Toronto Realty Agency (TRA) with a mandate to:
 1. *Start the process to recruit the CEO*
 2. *Support operationalizing the model by Jan 1 2018*
 3. *Transition current business of Build Toronto, Toronto Port Lands*
- Report to Executive Committee in Q3 2017 on a Delegation of Authority Framework for Real Estate Matters aligned with the new City-wide real estate model
- Develop an operational Memorandum of Understanding between the Agency and the City, to be submitted to City Council for approval in Q1 2018
- TRA to develop a City-wide real estate strategy for City Council approval in Q1 2019, and prepare an annual performance report.

NEXT STEPS : KEY TRANSITION MILESTONES

- 1. Delegated Authority Framework to Executive Committee in September 2017**
 - City Council to approve centralized real estate authorities and updated Delegated Authorities Framework to enable the new operating model
- 2. TRA Interim CEO / Transition Lead to be in place by October 2017**
- 3. TRA organization build-out to be announced in October 2017**
 - Appointed functional transition leads to support build-out & business readiness
- 4. Appointment of City Division Interim Real Estate Services Director by early Q4 2017**
 - Joe Casali will be moving into the new Toronto Realty Agency
- 5. Recruitment and appointment of the permanent Board of Directors for TRA for November 2017**
 - 6 Citizen members and 3 Councillors (no two from same Community Council) to be approved at November Council and in place for January 1, 2018
- 6. Recruitment and appointment of the permanent CEO for TRA by spring 2018**
 - Retained services of Odgers Berndtson. Board to select preferred candidate and bring to City Council for ratification.

NEW REAL ESTATE MODEL - STRUCTURE

Agency and City Division Transitional Leads



ADDING VALUE & SUPPORTING PROGRAMS

PROGRAM AREAS

1. Program areas can focus on core business activities
2. Access to full service real estate advisory and delivery model
(e.g. Space Planning, Cost Consulting, Options Analysis, Development Advisory, Transaction Negotiations, Tax Management)
3. CRM advocate for program solutions and customer service needs

COMMUNITY / RESIDENT IMPACTS

1. Proactive planning of real estate requirements through a City-wide lens *(Enables Key City-building)*
2. Greater connections to other City programs *(e.g., options for co-location, shared services and pooling capital = hubs)*
3. Access to Board / Industry expertise

Q3 REPORT

OVERVIEW & TIMELINES

Q3 2017 Staff Report – Revised Delegated Authorities Framework

Purpose

To centralize City-Wide real estate authorities into the new operating model and to rescind, amend or add authorities as appropriate to support a new operating framework*

Overall Timelines

- Sept 26, 2017 – Executive Committee
- Oct 2, 2017 – City Council
- Jan 1, 2018 – Model comes into effect

CURRENTLY: DISPERSED REAL ESTATE AUTHORITIES

1. 24 Divisions, Agencies & Corporations involved in real estate activities
2. Lack of centralization impedes City-wide strategic planning & decision-making
3. Will address authorities for core real estate (Q3 Report)
 - sales
 - leasing
 - acquisitions
 - development
4. During 3-year incubation period of the model, will review transition of activities, if appropriate

1. Build Toronto (+11 sub corps)
2. Toronto Port Lands Company (+3 sub corps)
3. Toronto Community Housing Corporation
4. Toronto Hydro
5. Exhibition Place
6. Toronto Parking Authority
7. Toronto Police Services
8. Toronto Public Library
9. Toronto Transit Commission (TTC)
10. Toronto Zoo
11. Affordable Housing Office
12. Long Term Care, Homes and Services
13. Parks, Forestry and Recreation
14. Real Estate Services
15. Shelter, Support and Housing Administration
16. Children's Services
17. Public Health
18. Economic Development and Culture
19. Municipal Licensing and Standards
20. Solid Waste Management
21. Transportation Services
22. Fire Services
23. Toronto Water
24. City Planning

City Divisions not listed currently receive all real estate and facilities services from the CCOO – no impact on authorities in future state

Q3 REPORT: CENTRALIZED REAL ESTATE AUTHORITIES

1. WHAT'S CHANGING

centralizing city-wide real estate authorities



- ✓ Consolidating real estate authorities to operationalize the new model
(lack of centralization impedes City-wide strategic planning and decision-making)

2. WHY IT'S CHANGING

enables streamlined decision making & improved service delivery



- ✓ Improved coordination and collaboration in finding real estate solutions (e.g. co-location)
- ✓ Consistency of expertise, standards and due diligence practices in decision-making
- ✓ Diverting low value, non-strategic reports from Committee, Council and Board Agendas
- ✓ Centralized, City-wide reporting of real estate activities on an annual basis to City Council

3. HOW IT'S CHANGING

changes to authorities

Each group will be engaged & consulted with to ensure appropriate transition planning including activities to continue within the groups, but under the direction of the new model



- ✓ Model will hold the authority for real estate on behalf of City Council (within specific parameters)
- ✓ Current of authorities of some programs will be removed or clarified
- ✓ Programs will collaborate with the model to meet their real estate needs