

City-Wide Real Estate Program

Real Estate Advisory Committee

Briefing

December 6, 2016



Background

City Council directed the City Manager to undertake a review of all divisions, agencies and corporations involved in real estate processes with the intent to assess the City's real estate service delivery model.

BACKGROUND

- **Deloitte was engaged to conduct the review in partnership with the Chief Corporate Officer Organization**
- **An internal steering committee chaired by the Deputy City Manager & CFO was formed**
- **An external advisory panel was assembled to advise the City Manager**
- **15 Agencies, Corporations, and Divisions in scope:**

6 Agencies

Exhibition Place
Toronto Parking Authority
Toronto Police Services
Toronto Public Library
Toronto Transit Commission
Toronto Zoo

4 Corporations

Build Toronto
Toronto Community Housing Corporation (TCHC)
Toronto Hydro
Toronto Port Lands Company

5 City Divisions

Affordable Housing Office
Long Term Care, Homes and Services
Parks, Forestry and Recreation (PF&R)
Real Estate Services
Shelter, Support and Housing Administration

Current State

A very complex and valuable real estate portfolio with significant operational and capital expenditures:

Building Space and Land Inventory

- **6,976 buildings with 106.3 million SF**, 49% is multi-residential
- **8,446 properties on 28,823 acres** of land, 64% is park land

Operations

- **\$1.1 Billion** in annual operating costs in core real estate and facilities management

Capital Expenditures and Development

- **\$1.0 Billion** in annual portfolio capital & development costs

FTE Resources

- **3,177 FTEs** oversee the portfolio (94% in facilities management; 6% in core real estate functions)

Property Value

- **\$27 Billion** in assessed portfolio value (36% TCHC; 9% Parks, Forestry & Recreation)

Key Findings from the Review

There is limited ability to make timely and informed decisions & set strategic direction on a City-wide basis.



More opportunity for city-wide, strategic planning and management of the portfolio - *Complex governance model making efficient decision making and approvals a challenge (vertically and horizontally).*



Working in silos/lack of co-ordination - *Multiple entities involved in the management of the portfolio.*



Talent / skills imbalance - *majority of real estate expertise focused on day-to-day activities, resulting in some decisions without a broader strategic view.*



Inconsistent processes, tools & technology – *Missed opportunities to integrate best practices in process and technology to improve effectiveness.*



The organization is ready for transformation - *Structure and process has been developing and timing is right to pursue the next step of the maturity model.*

The Opportunity

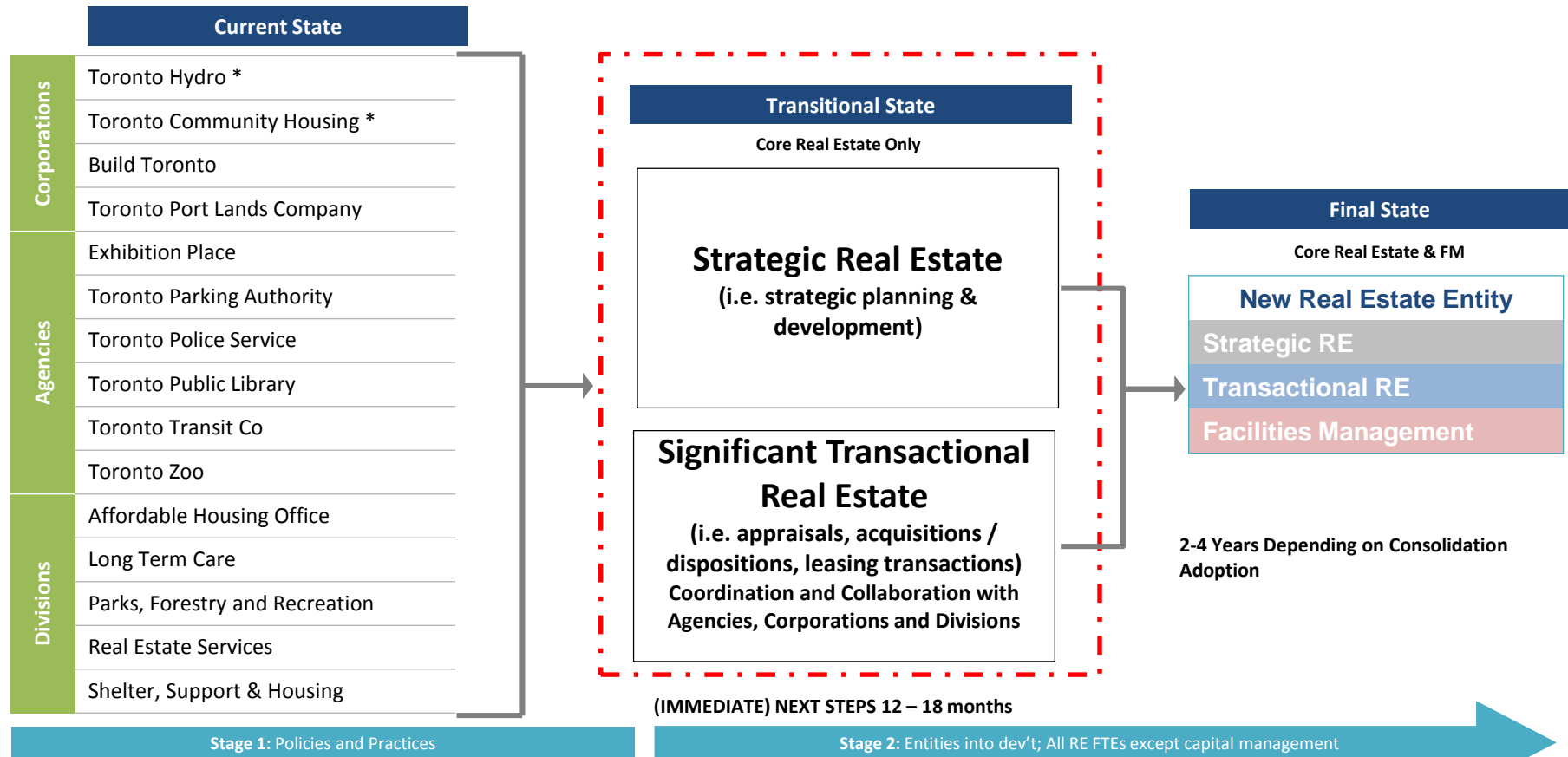
TOMORROW: STRATEGIC & COORDINATED PLANNING W/ MULTIPLE STAKEHOLDERS

1. **Unlock land value** - *getting the best strategic use of City lands.*
2. **Co-location cost savings** – *pursue mixed-use, multi-service developments.*
3. **Economic opportunities** - *job creation including commercial, retail & affordable housing.*
4. **Community hubs** - *build capacity, pride in facilities, improve accessibility & services closer to residents.*
5. **Modernization of space** - *enhance productivity & efficiency through space planning innovation.*



New Real Estate Entity: Consolidation of core functions

All strategic development and transactional real estate activities currently performed by the individual entities will be executed by the new Real Estate Entity in the new model (including facilities management).

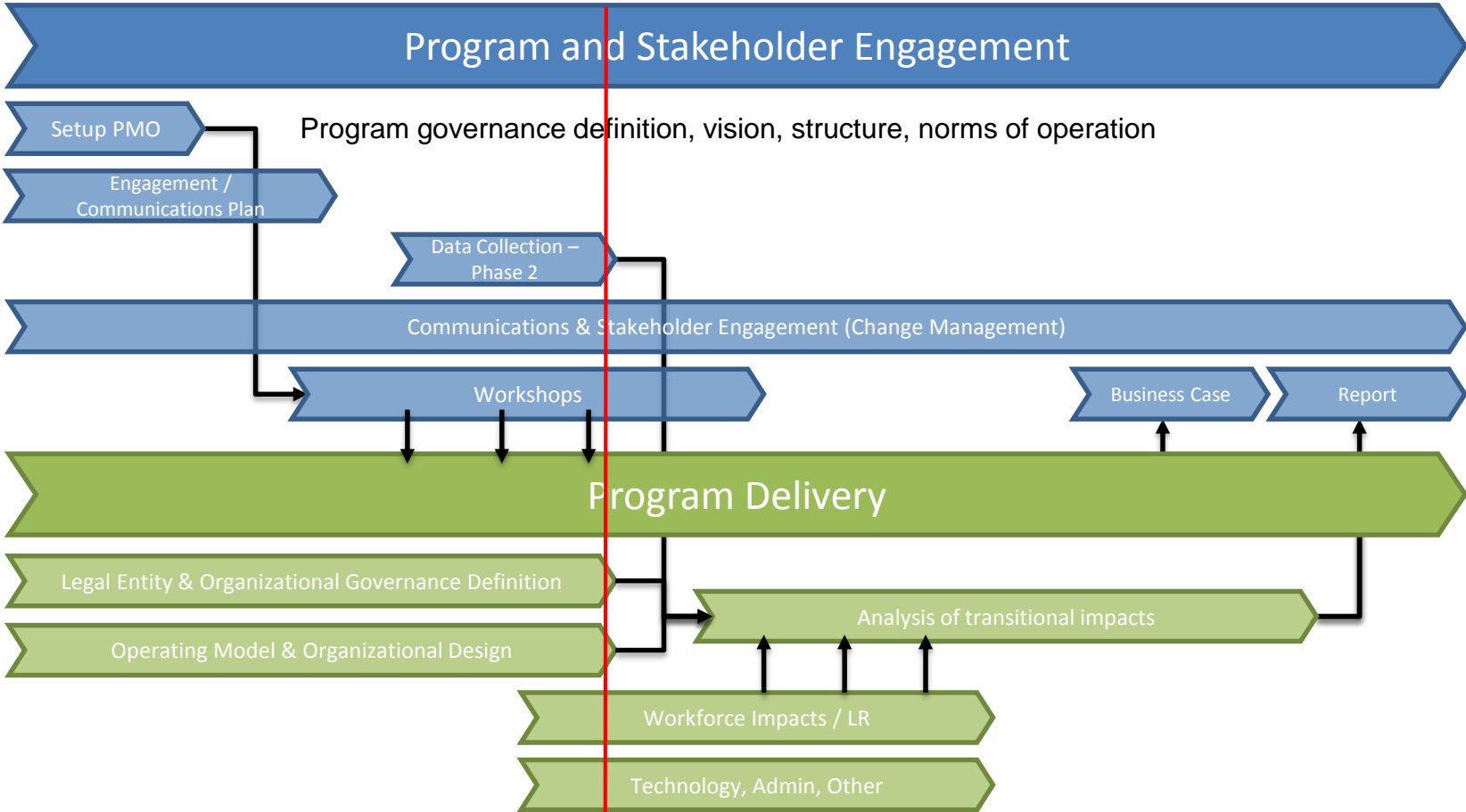


* Timing post transition

Roadmap / Work Streams

Aug '16 Sep '16 Oct '16 Nov '16 Dec '16 Apr '17

We Are Here!



People, Operational, Governance, Legal

Program governance and delivery model

