

Mr. Joseph Pennachetti
City Manager, City of Toronto
Toronto City Hall
100 Queen Street West
Toronto, Ontario M5H 2N2

16 August, 2011

**City of Toronto Economic Development Corporation,
Operating as Toronto Port Lands Company (TPLC): 2010 Annual Report**

Dear Mr. Pennachetti:

It is our pleasure to submit this report from the Board of Directors of the City of Toronto Economic Development Corporation for the year 2010. As you know, the Corporation is wholly-owned by the City, operates at arms-length under the *Ontario Business Corporations Act*, and is subject to Shareholder Directions from time-to-time by City Council.

With a strong foundation as an urban development corporation and a history of award-winning developments and initiatives, the Corporation continues to evolve according to public policy considerations and changing market conditions. Objectives for 2010 were based on the 2009 Shareholder Direction directing the Corporation to primarily focus on the Port Lands, strategic planning sessions, and current assumptions which include direction to provide funding requirements.

2010 objectives included developing an updated business plan to focus on determining the best economic return for its lands, preserving and creating employment, and contributing to City Building working closely with its stakeholders.

The Corporation remains the largest property owner in the Port Lands with more than 400 acres in its portfolio. In 2010 it continued to manage and lease its properties, to manage the strategy of consolidating the concrete and aggregate companies to the east side of the Port Lands in accordance with the City's policies, and provide environmental stewardship in the area through initiatives such as its Area Wide Initiative (AWI) and Individual Site Initiative (ISI). The Port Lands strategic location represents a competitive advantage where many industrial, media and retail service-oriented businesses can effectively gain access to prospective and existing customers in the downtown core.

The Corporation's advantage is that it is nimble and operates in a commercial setting with a reasonable means of expediting transactions and operations.

We are pleased to highlight some of our major accomplishments from 2010:

- **Corus Quay Development** – City Council approved the first commercial development on the East Bayfront in the spring of 2007. As a result of the Corporation's lease negotiations, Corus Entertainment Inc. decided to keep its jobs in Toronto by consolidating its 11 locations and more than 1,100 knowledge-based jobs into a new 500,000 square foot office and broadcast facility built to LEED Gold standard. The development was a critical catalyst for the revitalization of the East Bayfront that now includes the George Brown development, as well as being an important transition point from Redpath Sugar's operations to the rest of the area. The Corporation, as owner and developer, completed the project on time and on budget in 2010. On January 1, 2010, the Corporation began receiving rental revenue from the development. Corus Quay is a prime example of successful City Building. The building is currently being marketed for sale and it is anticipated the City will receive a significant dividend from the proceeds.
- **Increase in Revenues for both Shareholder and the Corporation** – In 2010 the Corporation received net rental revenues of \$20.7 million against revenues of \$9.2 million in 2009. The Corporation also saw a close to \$1million gain on a sale of property to Monarch Corporation. The sale of the parcel of land at Midland and St. Clair supports completion of Monarch's initial green residential development in the area. In addition, the Corporation increased the City's tax base through its Corus development by \$5 million annually starting in mid 2010.
- **Financial Support/Grants** – In 2010 the Corporation provided a grant of \$2.7 million to Invest Toronto Inc. to fund its operations and capital expenditures. The grant is part of a commitment of the Corporation to Invest Toronto Inc, to provide funding up to specified funding maximums identified in the grant agreement. In addition, a payment of \$1.5 million was made in 2010 to support the City of Toronto's Incubator program initiated by the Corporation, now part of the City's Economic Development & Culture Division.

Conclusion

The Corporation continues to provide a major contribution to City Building and to the Economic Development portfolio as well as advancing its Shareholder's interests. This short summary provides only a brief review of our activities and successes in 2010. We also created the TPLC Corporate Plan, *Building Value* to share our current corporate strategy with our stakeholders. We trust you will agree that the City of Toronto continues to receive excellent value from its ownership and encouragement of the Corporation. We look forward to working with the new Council and to move forward with the Shareholder's vision for the Port Lands.

Respectfully submitted,



Mike Williams
Chairman of the Board of Directors



Michael Kraljevic
President & CEO

cc: Mayor Rob Ford
Cam Weldon, Deputy City Manager and Chief Financial Officer
John Livey, Deputy City Manager
Brenda Patterson, Deputy City Manager