



STAFF REPORT ACTION REQUIRED

Composition of the Board of Directors of Build Toronto

Date:	June 3, 2013
To:	City Council
From:	City Manager
Wards:	All
Reference Number:	

SUMMARY

The Build Toronto Board of Directors currently consists of thirteen members, including two City staff: the General Manager of Economic, Development and Culture and the Chief Corporate Officer. Staff were appointed to the Board on an interim basis to provide linkages between the City's strategic direction and Build Toronto operations.

With four years of operational experience, Build Toronto no longer requires City staff as Board members to promote alignment with City priorities. Further, mechanisms external to Build Toronto such as the City's economic development strategy and a new process governing property transfers to Build Toronto have been put in place to ensure City strategic priorities inform Build Toronto activities. As a result, this report recommends removing City staff positions from the Board, and reducing the Board size to eleven members. All other Board positions will remain the same.

This report is directly before Council to ensure Council considers recommended changes to the Board structure at the same meeting as it considers appointments for citizen members to the Board at the start of its new term.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council treat the part of the Council meeting related to this report as a special meeting of the sole shareholder of Build Toronto Inc.
2. City Council, acting as the sole shareholder of Build Toronto Inc., remove the General Manager of Economic Development and Culture and Chief Corporate Officer

positions from the Build Toronto Inc. Board of Directors so that the number of directors shall be eleven.

3. City Council authorizes the City Manager to amend the Public Appointments Policy and execute a revised Shareholder Direction to Build Toronto Inc. to reflect recommendations in this report approved by City Council.

Financial Impact

There are no financial implications resulting from the implementation of the recommendations in this report.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

In consideration of EX24.1: New Model to Enhance Toronto's Economic Competitiveness at its meeting of October 29 and 30, 2008, Council authorized the creation of Build Toronto as a wholly-owned City corporation and defined the size and composition of its Board at incorporation and once citizen members were appointed. Subsequently, Build Toronto Inc. (Build Toronto) was incorporated under the *Business Corporations Act* (Ontario) on November 13, 2008. Its mandate is to unlock the value of underutilized lands and use the available City and agency land base to attract targeted industries, stimulate the creation of desirable employment and regenerate neighbourhoods ([EX24.1: New Model to Enhance Toronto's Economic Competitiveness](#)).

At its meeting on February 23, 24, and 25, 2009, City Council adopted MM31.5: Appointment of Citizens to the Boards of Directors of Build Toronto and Invest Toronto. The adopted report recommended increasing the Board size from the eleven members initially approved to twelve members and adding one citizen member to the Board composition, and appointing eight citizen Board members ([MM31.5: Appointment of Citizens to the Boards of Directors of Build Toronto and Invest Toronto](#)).

At its meeting of April 12 and 13, 2011, City Council adopted Recommendation 12 of EX4.7: Amendments to Public Appointments Policy. This Recommendation amended the compositions of all of the City's agencies and corporations to be a minimum of eleven members including at least three City Council Members plus the Mayor or his designate ([EX4.7: Amendments to Public Appointments Policy](#)).

In consideration of CC25.3: Composition of the Boards of Directors of Build Toronto and Toronto Hydro Corporation at its meeting of July 11, 12, and 13, 2012, City Council exempted Build Toronto Inc. from EX4.7: Amendments to Public Appointments Policy, Recommendation 12, regarding the minimum size and composition of the Boards of City agencies and corporations. Further, Council expanded the Board from twelve to thirteen members, and amended the composition of the Board to include the Chair of Planning

and Growth Management ([CC25.3: Composition of the Boards of Directors of Build Toronto and Toronto Hydro Corporation](#)).

At its meeting of February 20 and 21, 2013, City Council approved the City's updated economic development strategy titled "Collaborating for Competitiveness." The report identifies strategies that are relevant to Build Toronto. These include: accelerate investments in commercial and industrial developments that enhance the City's property tax base and/or create permanent jobs, and ensure sufficient land is available to accommodate commercial and industrial employment growth ([ED19.4: Collaborating for Competitiveness: A Strategic Plan to Accelerate Economic Growth and Job Creation in Toronto](#)).

At its meeting on April 3 and 4, 2013, City Council approved an enhanced process governing property transfers to Build Toronto. The process requires consultation with Build Toronto, local Councillors, City Planning and other Divisions in order to determine which surplus City properties are transferred to Build Toronto, whether the transfer is for a stratified portion of the property, and conditions of any transfers ([GM20.6: Property Transfers to Build Toronto - Enhanced Process](#)).

ISSUE BACKGROUND

The Public Appointments Policy contains the Council-approved structure of the Board of Directors of Build Toronto. The Shareholder Direction to Build Toronto (dated August 6, 2009) states in paragraph 4.2 that the City has sole authority to amend the composition of the Board, subject to the provisions in Build Toronto's articles of incorporation and any articles of amendment, appoint the Chair and Vice-Chair, and fill vacancies on the Board as they arise from time to time.

The Shareholder Direction also entitles the City Manager, the Chief Financial Officer, and the Auditor General, or their designates, to receive notice of and to attend all meetings of the Board and have unrestricted access to Build Toronto's books and records in accordance with stated provisions. Relevant provisions in the Shareholder Direction include limitations to attending in camera portions of meetings where sensitive personnel issues are discussed and requirements for the treatment of confidential materials. Further, the Shareholder Direction grants access to meetings to staff of the Mayor's Office and access to records to the City Solicitor.

At its date of incorporation, the five-member Board included three City staff: the City Manager, Deputy City Manager and Chief Financial Officer, and the Chief Corporate Officer (CCO). This interim Board executed documents and took other actions necessary to set up operations and transition land, projects, staff and assets until citizen members were appointed.

When Council appointed citizen members to the Board for its inaugural term, is also approved the inclusion of the General Manager of Economic Development, Culture and

Tourism (GM of EDCT) and the Chief Corporate Officer, but removed the City Manager and Deputy City Manager and Chief Financial Officer from its composition.

City Council approved a further amendment of Build Toronto's Board at its meeting of July 11, 12, and 13, 2012. Following this approval, and reflecting the current Board composition, the Board size is thirteen voting members comprising the Mayor or his designate, the Chair of Council's Economic Development Committee, the Chair of Council's Planning and Growth Management Committee, eight residents of Toronto, the General Manager of Economic Development and Culture and the Chief Corporate Officer.

COMMENTS

The Board of Build Toronto has included City staff since inception. At incorporation, senior City management were instrumental to the early development and operational set up of Build Toronto. As Build Toronto developed, City staff have ensured a strategic alignment between Build Toronto's activities and the City's priorities.

The Chief Corporate Officer and General Manager of Economic Development, Culture and Tourism were included as positions on the Board to provide linkages between the City's strategic direction and Build Toronto operations. Specifically, the CCO was included due to their lead responsibility for developing the City's real estate strategy, provision of real estate and development services to the City and agencies, and coordination of the disposition of City surplus land. The GM of EDCT was included on the Board to provide advice on City programs available to attract private investment.

With four years of operational experience, Build Toronto no longer requires City staff as Board members to promote alignment with City priorities. Further, mechanisms external to Build Toronto such as the City's economic development strategy have been put in place to ensure City strategic priorities inform Build Toronto activities. The City's economic development strategy, "Collaborating for Competitiveness," approved by Council at its meeting of February 20 and 21, 2013, provides a framework and strategies from which Build Toronto can operate and seek direction. The enhanced process for property transfers to Build Toronto, adopted by Council at its meeting of April 3 and 4, 2013, ensures some direct control by Council over the ultimate use of lands transferred.

As a result, this report recommends removing the two City staff positions from the Board, and reducing the Board size to eleven members. All other Board positions will remain the same. Once adopted, the Board will comprise:

- The Mayor as Chair, or a member of City Council who the Mayor recommends as his designate and is appointed by City Council who shall be Vice-Chair;
- The Chair of City Council's Economic Development Committee as appointed by City Council;

- The Chair of City Council's Planning and Growth Management Committee as appointed by City Council; and
- Eight residents of Toronto who are not elected officials or employees of the City or any of its agencies or corporations, one of whom shall be the Chair if the Mayor is not the Chair.

Although the Chief Corporate Officer will no longer be a Board member, she has an ongoing role to advise the Build Toronto Board on the City's interests regarding specific properties, and to monitor Board decisions for their potential impact on City strategies, decisions and activities. Under the current Shareholder Direction, the Chief Financial Officer or his designate is entitled to receive notice of and to attend all meetings of the Board and have unrestricted access to Build Toronto's books and records in accordance with provisions in the Shareholder Direction. The CFO will designate the CCO as his representative at Board meetings to enable the CCO to continue to advise the Board and monitor decisions.

This report is directly before Council to ensure Council considers recommended changes to the Board structure at the same meeting as it considers appointments for citizen members to the Board at the start of its new term.

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SIGNATURE

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