



## STAFF REPORT ACTION REQUIRED

### Toronto Port Lands Company - Annual General Meeting and Audited Annual Financial Statements 2012

<b>Date:</b>	May 13, 2013
<b>To:</b>	Executive Committee
<b>From:</b>	City Manager
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### SUMMARY

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This report recommends the actions necessary to comply with the requirements of the *Business Corporations Act* (Ontario) for holding the 2012 Annual General Meeting of the Shareholder of City of Toronto Economic Development Corporation operating under the name of Toronto Port Lands Company (hereinafter referred to as TPLC), including receipt of its Annual Report and Audited Annual Financial Statements for 2012 and appointment of the Auditor.

This report also transmits information from the TPLC to City Council disclosing the individual compensation of executive officers employed by the corporation in 2012.

#### RECOMMENDATIONS

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**The City Manager recommends that City Council:**

1. Treat the Council meeting at which this report is considered as the 2012 Annual General Meeting of the Shareholder for Toronto Port Lands Company (TPLC) by:
  - a. Receiving TPLC's annual report titled "City of Toronto Economic Development Corporation, Operating as Toronto Port Lands Company (TPLC) 2012 Annual Report", Attachment 1 to this report;
  - b. Appointing Pricewaterhouse Coopers LLP, Chartered Accountants, as the Auditor of TPLC for fiscal year 2013, and authorizing the Board of Directors of TPLC to fix the remuneration of such Auditor;

- c. Receiving the report of the Deputy City Manager and Chief Financial Officer, "Toronto Port Lands Company – 2012 Audited Annual Financial Statements", Attachment 2 to this report; and
  - d. Receiving the Board's 2012 audited financial statements, titled "City of Toronto Economic Development Corporation c.o.b. Toronto Port Lands Company Consolidated Financial Statements December 31, 2012", Appendix A to Attachment 2 to this report.
2. Forward a copy of "City of Toronto Economic Development Corporation c.o.b. Toronto Port Lands Company Consolidated Financial Statements December 31, 2012", Appendix A to Attachment 2 to this report, to the Audit Committees for information.
  3. Receive the information of Attachment 3 concerning executive compensation disclosure in this report for information.

## **Financial Impact**

As a result of the sale of the Corus Quay land and building, Toronto Port Lands Company paid a special dividend of \$40 million to the City in April 2012.

The Deputy City Manager and Chief Financial Officer has reviewed TPLC's 2012 audited financial statements and his summary and comments are contained in Attachment 2 to this report.

## **DECISION HISTORY**

At its meeting on October 30 and 31 and November 1, 2012, City Council adopted the City Manager's report on Toronto Port Lands Company's 2011 Annual General Meeting. Attached to the report were Toronto Port Lands Company's Annual Report and a report from the Deputy City Manager and Chief Financial Officer on the Company's Audited Financial Statements (Toronto Port Lands Company - Annual General Meeting and Audited Annual Financial Statements 2011).

At its meeting on July 11, 12 and 13, 2012, City Council required that the Shareholder Directions for all wholly-owned City corporations be amended to require public disclosure to the extent permitted by law of individual executive compensation as part of the annual reporting to the Shareholder and where required obtain consent from the executives for such disclosure (Executive Compensation 2011 for City Agencies and Corporations).

## **ISSUE BACKGROUND**

City of Toronto Economic Development Corporation (TEDCO) was incorporated in 1986, operating under the business name of the Toronto Port Lands Company (TPLC),

under the *Business Corporations Act* (Ontario). An annual meeting of the shareholder is a requirement of the *Act*. The City is the sole shareholder.

The mandate of the corporation is to hold, lease, manage and maximise revenues from Port Lands properties awaiting future development by Waterfront Toronto. TPLC is a key player in the revitalization of the Port Lands along with the City of Toronto, Waterfront Toronto and the Toronto Region Conservation Authority (TRCA).

In addition, the TPLC has complied with Council's request to agencies and corporations to provide individual Executive Compensation information along with the submission of its Annual Report and Audited Annual Financial Statements, as permitted by law.

## **COMMENTS**

For 2012, the Toronto Port Lands Company reports that TPLC continued to build value for the City by adopting a more pro-active role in managing its property portfolio as directed by TPLC's Board of Directors. This strategy included increasing revenues and jobs in the Port Lands, and working with private sector land owners to realize new developments in the area. The sale of the Corus Quay building and lands realized an accounting gain of \$39 million, and resulted in a special dividend of \$40 million paid to the City in April 2012. Excluding part-year revenue from the Corus Quay building, net property income revenue was \$10.1 million. An annual report dated April 30th, 2013, which includes specific achievements and results, is submitted to the City by the TPLC and is provided in Attachment 1 to this report.

The shareholder's review of Toronto Port Lands Company's 2012 Audited Financial Statements is set out in the report of the Deputy City Manager and Chief Financial Officer, which is attached to this report as Attachment 2 and which should be considered part of the agenda of the Annual General Meeting.

Toronto Port Lands Company is disclosing information concerning executive compensation for senior staff in Attachment 3 of this report as per request from City Council.

The protection of individual privacy is required by the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA). Specific compensation data of individual executives is private information under MFIPPA.

Toronto Port Lands Company has indicated that current members of the senior management team have consented to the release of the information contained in Attachment 3 in order to enable the City Manager to publically disclose the information on the public agenda. The corporation has considered the privacy impacts of the disclosure under MFIPPA and has provided assurances to the City that there is no unauthorized release of personal information protected under the legislation.

## **CONTACT**

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## **SIGNATURE**

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Joseph P. Pennachetti  
City Manager

## **ATTACHMENTS**

Attachment 1: "City of Toronto Economic Development Corporation, Operating as Toronto Port Lands Company (TPLC) 2012 Annual Report: Achievements and Results"

Attachment 2: Report from the Deputy City Manager and Chief Financial Officer dated May 13, 2013 "Toronto Port Lands Company - 2012 Audited Financial Statements"

Appendix A: "City of Toronto Economic Development Corporation c.o.b. Toronto Port Lands Company Consolidated Financial Statements December 31, 2012"

Attachment 3: Toronto Port Lands Company: Executive Compensation Disclosure