



STAFF REPORT ACTION REQUIRED

Steps to Respond to the Toronto District School Board Disposition of Surplus Properties under Ontario Regulation 444/98

Date:	March 24, 2016
To:	City Council
From:	Executive Director, Social Development, Finance and Administration
Wards:	All
Reference Number:	#22906

SUMMARY

The purpose of this supplemental action report is to provide City Council with additional recommendations for consideration in relation to EX 13.20 - Toronto Response to Proposed Revisions to Ontario Regulation 444/98 - Disposition of Real Property

RECOMMENDATIONS

The Executive Director, Social Development, Finance and Administration recommends that:

1. City Council direct the Executive Director, Social Development, Finance and Administration, working in coordination with the General Manager of Children's Services, the General Manager of Parks, Forestry and Recreation, the Director of Real Estate Services and the Chief Planner and Executive Director of City Planning to assess municipal interests in the school properties that have been identified by the Toronto District School Board for potential surplus declaration during the period 2016-2019, in order to provide a transparent framework for City investment decisions related to school properties, and to report back to Executive Committee on the results of this analysis by June 2016.

2. City Council request the Toronto District School Board and the Ministry of Education to accommodate the City of Toronto's June 2016 analysis of municipal interests in school properties, within the Board's disposition of surplus schools process and timeline.
3. City Council request the Government of Ontario to immediately amend *O. Reg 444/98 s. 8.1 (a)* such that City of Toronto and school boards are eligible to make an offer for the sale or lease of Toronto District School Board surplus school property at the school replacement value described in *O. Reg 444/98 s. 8.2*, in response to the Toronto District School Board's disposition of a significant quantity of surplus schools between 2016 and 2019.
4. City Council urge the Government of Ontario to coordinate actively across ministries, school boards, and other public sector bodies to retain in public ownership those surplus TDSB properties that represent valuable public infrastructure, particularly properties where provincially-funded services, including mental health services, child and youth services, and community and social services are already being delivered.
5. City Council urge the Government of Ontario to apply appropriate financing tools to ensure that that seller school boards are made whole through the disposition of school properties to public sector entities.

Financial Impact

There are no financial implications resulting from the adoption of the recommendations in this report. The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On March 9, 2016, Executive Committee adopted item 2016 EX13.20 Toronto Response to Proposed Revisions to Ontario Regulation 444/98 - Disposition of Real Property. The item came to Executive Committee through the City-School Boards Advisory Committee meeting of February 11, 2016. It will be reviewed by City Council on March 30, 2016.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX13.20>

On April 1, 2015, City Council adopted item 2015 EX4.4, Schools as Community Assets, which reviewed the implications of the Toronto District School Board (TDSB) ten year plan for school closures, described the City's four municipal interests in school properties, and provided a preliminary assessment of municipal interests in the TDSB schools that may slated for surplus.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX4.4>

ISSUE BACKGROUND

In response to a Directive from the Minister of Education, Toronto District School Board submitted a ten year plan for school closures on February 11, 2015. City Council has acknowledged that TDSB needs to rationalize its property portfolio, in light of an ageing building stock and a growing and changing population. The City is not opposed to the sale of school properties. However some schools represent important community assets in local neighbourhoods. Loss of these school buildings and fields can have a negative effect on community well-being and may impact City service delivery. To establish the community asset value of a school property more systematically, City Council adopted a fourfold framework for measuring municipal interest in school properties in April 2015.

The City has interests in school properties as:

- Sites for child care and early learning;
- Sites for green space;
- Sites for community programming; and
- Sites for responding to future growth.

Over the past eight months, City of Toronto staff have worked with TDSB staff to review in detail the municipal interests in the school sites that may be considered for disposition between 2016 and 2019. City staff will conclude the assessment of municipal interests in the designated school properties by June 2016 and submit recommendations to Council.

Recently TDSB has accelerated its consultation process for disposition of schools. In February 2016 TDSB requested early comments and early comments and early expressions of interests about five closed schools. In March 2016 a request for comments was circulated in relation to a sixth school. The request for comments was circulated to the City and to other public sector entities that have been identified in Ministry guidelines for community consultation.

TDSB is undertaking this preliminary consultation between March and April 2016 "to foster communication and collaboration" in advance of a formal circulation of properties for sale per Ontario Regulation 444/98. The next steps include meetings with elected officials, followed by public meetings in the affected wards, with the goal of tabling recommendations on school dispositions at the June 2016 Board of Trustees meeting.

On March 7, 2016, the City submitted early comments to the TDSB on the five properties and submitted a letter to the TDSB Director, which requested TDSB to accommodate the City's June 2016 reporting timeline. The letter also summarized key challenges that the City will face in responding to a potentially large quantity of school dispositions.

COMMENTS:

At this time, the TDSB's request for early comments about schools has been limited to six properties. However, more than twenty properties have been referred to Toronto Lands Corporation (TLC) for potential disposition, and an additional number of properties can be anticipated to be surplus through upcoming Pupil Accommodation Review (PAR) processes over the next two to three years.

This situation presents two challenges for the City.

First, it is not in the City's strategic interest to respond to potential school closures on a property-by-property basis. To respond effectively to the impact that closures may have across Toronto, a thoughtful and considered approach is needed, which takes a city-wide view of the full slate of TDSB properties that may become available over next two to three years. Prioritizing across this full slate of schools will help the City to invest most strategically and accountably, in terms of Council's four defined municipal interests in school properties (i.e. sites for child care and early learning, green space; community programming; and future growth – see above). City staff are currently conducting this systematic prioritization of the more than twenty TDSB properties. It will be important for the Board and the Ministry of Education to understand and accommodate the City's timeline and process on this matter.

Second, the sheer number of schools that are likely to go up for sale and the provincial requirement, under Ontario Regulation 444/98, to pay fair market value promises to put acquisition of most of these schools, even high-priority sites, out of the reach of the City of Toronto. Although the City maintains a School Lands Acquisition Reserve Fund to purchase school properties, the approximately \$6M remaining in the Fund will be inadequate to respond to the number of circulations that are anticipated from TDSB over the next few years.

The City is concerned that a sizeable proportion of existing, valuable public infrastructure will be sold out of public ownership due to these challenges. There is already a deficit of community spaces in Toronto. Once sold, it will be difficult for the public sector ever to recover this property for community use. Public policy leadership on the part of the Government of Ontario is urgently needed to address these challenges. There are two core policy actions that Council can encourage the Province to undertake.

First, it is the appropriate role for the Province to coordinate actively among the Toronto school boards and among relevant government ministries to identify and acquire the TDSB properties that represent valuable public infrastructure for the province. This includes facilities that are appropriate for other boards to use for pupil accommodation, and facilities where provincially-funded services, including mental health services, child and youth services, and community and social services are already being delivered.

Second, the Government of Ontario can implement an immediate amendment to Ontario Regulation 444/98 so that public sector entities, including the City of Toronto, can afford to respond when a large number of TDSB properties begin to circulate.

The City continues to urge the Government of Ontario to implement alternate tools to finance school boards' capital funding projects and keep school boards "whole".

CONTACT

Kelly Murphy
Policy Development Officer
Social Policy, Analysis and Research
Social Development, Finance and Administration
416-338-8368
kmurphy@toronto.ca

SIGNATURE

Chris Brillinger
Executive Director
Social Development, Finance and Administration