



# CreateTO

## What We Do

We manage the City's real estate portfolio, develop City building and lands for municipal purposes and deliver client-focused real estate solutions to City divisions, agencies and corporations.

## Why We Do It

Toronto has more than 8,000 properties within its real estate portfolio. CreateTO, working together with Real Estate Services and Facilities Management, are continually looking for new and better ways to use those assets and bring value to the City (e.g. affordable housing, transit-oriented developments, new park space, and supporting City service delivery).

As part of the centralized City-wide Real Estate model, the Agency's mandate is to be stewards of the City's real estate assets, to drive a mandate focused on supporting programs, and to enable city-building. The Agency will leverage its real estate expertise to lead a City-wide real estate strategy, identify opportunities to modernize and harmonize operations, to drive service delivery for programs, and maximize real estate value in pursuit of social, economic, environmental, and program benefits.

### Our Experience & Success

- Launched City-wide Real Estate: Together with Real Estate Services and Facilities Management divisions, centralized delivery of real estate services, enabling City-wide oversight of assets, and new broader mandate.
- Driving the New Mandate: Provided support and expertise on key City projects including the Etobicoke Civic Centre relocation, Rail Deck Park, and Danforth Garage.
- Housing Now: Supporting City Council's affordable housing priorities by working with partners to identify 11 transit oriented development sites.
- Strategic Projects: Supported economic development priorities with film and television expansion projects (Pinewood Studios & Studio City Rentals); working with Waterfront Toronto on the handover of property to enable the tri-government Port Lands Flood Protection project; and overseeing construction of the Garrison Crossing pedestrian and cycle bridge.

### Key Challenges

- Operational Modernization: Integration of practices and asset management; process / business improvements; and enhanced services.
- Data Management: Develop, access and leverage data to yield meaningful insights for improved decision making.
- Financial Sustainability: Support the City in pursuing affordable housing, transit-oriented development, and other City-building projects, while maintaining operational sustainability.
- Stakeholder Coordination: Engage and align partners and City programs (internal / inter-governmental) to effectively deliver municipal services and infrastructure.

### Priority Actions

- City-Wide Real Estate: continued build-out of the new real estate structure including continuing to centralize operations where appropriate.
- Portfolio Strategy: An umbrella strategy that will identify clear approaches to maximize the portfolio; opportunities and priorities; and asset optimization plans. This will include an Office Optimization Strategy and Industrial Optimization Strategy.
- Housing Now: Working in partnership with City Planning and the Affordable Housing Office, support development of 11 City-owned properties for mixed income housing units.
- Transit Oriented Development strategy: Identify opportunities for development around current and future transit stations in order to unlock land value, build transit ridership, create complete communities and advance affordable housing objectives.
- Port Lands: actively manage the 400 acres of land prudently including leasing, supporting flood protection work, and preparing for development.
- Support a culture that embraces collaboration, a multi-disciplinary team approach, and creative problem solving.

## Budget At A Glance

STAFF RECOMMENDED OPERATING BUDGET			
\$Million	2019	2020	2021
Gross Expenditures	\$12.5	\$12.3	\$12.6
Revenues	\$12.5	\$12.3	\$12.6
Net Expenditures	\$0.0	\$0.0	\$0.0
Approved Positions	55.0	54.0	54.0

## Key Service Deliverables

Coordinate stewardship of the City's real estate assets, and the ability to execute a mandate focused on supporting programs and enabling city-building.

Provide real estate expertise to modernize and harmonize operations and to drive service delivery to programs while maintaining a presence at the local/community levels

Maximize real estate value in pursuit of social, economic, environmental, and program benefits while achieving new revenue and cost savings.

## Who We Serve

### CreateTO

- Toronto Mayor & City Council
- Staff – City Divisions & Agencies
- Real Estate Developers
- Land Developers
- Corporations/Businesses

### Beneficiaries

- Residents & Visitors

## Performance Measures

The focus of 2018 was to establish and operationalize CreateTO. In 2019 the Agency will focus on identifying and measuring against defined metrics. CreateTO will be taking a system-wide approach to a performance measure framework. The objective is for CreateTO to drive value for the City through a variety of ways, supporting the delivery of multiple City services and programs, and generate balanced economic, environmental, social and financial benefits.

Our performance measures framework will include metrics regarding:

- Creating Complete Communities;
- Asset Stewardship and Driving Efficiency;
- Partnerships and Stakeholder Engagement; and
- Fiscal Sustainability.

# CONTENTS

## Page

4

6

N/A

13181920

N/A

N/A

21

N/A

N/A

N/A

N/A

N/A

### CreateTO:

#### Jaspreet Hansra-Kulasingam

Chief Financial Officer

Tel: (416) 981-3765

Email:

[JHansraKulasingam@createto.ca](mailto:JHansraKulasingam@createto.ca)

### Corporate:

#### Marie Barcellos

Manager, Financial Planning

Tel: (416) 392-8393

Email: [marie.barcellos@toronto.ca](mailto:marie.barcellos@toronto.ca)

## RECOMMENDATIONS

### 2019 STAFF RECOMMENDED OPERATING BUDGET

### 2019 - 2028 STAFF RECOMMENDED CAPITAL BUDGET & PLAN

## ISSUES FOR DISCUSSION

## APPENDICES

1. 2019 Organization Chart
2. 2019 Operating Budget by Service
3. 2019 Service Levels
4. Summary of 2019 Recommended Service Changes
5. Summary of 2019 Recommended New & Enhanced Service Priorities
6. 2019 User Fee Rate Changes
7. 2019 Capital Budget; 2020 - 2028 Capital Plan
8. 2019 Cash Flow & Future Year Commitments
9. 2019 Capital Budget with Financing Detail
10. Reserve and Reserve Fund Review



## RECOMMENDATIONS

**RECOMMENDATIONS**

The City Manager and Chief Financial Officer & Treasurer recommend that:

1. City Council approve the 2019 Staff Recommended Operating Budget for CreateTO of \$12.549 million gross, \$0.0 million net for the following services:

Service:	Gross (\$000s)	Net (\$000s)
CreateTO	12.549	0.0
Total Agency Budget	12.549	0.0

2. City Council approve the 2019 associated staff complement of 55.0 operating service delivery positions.

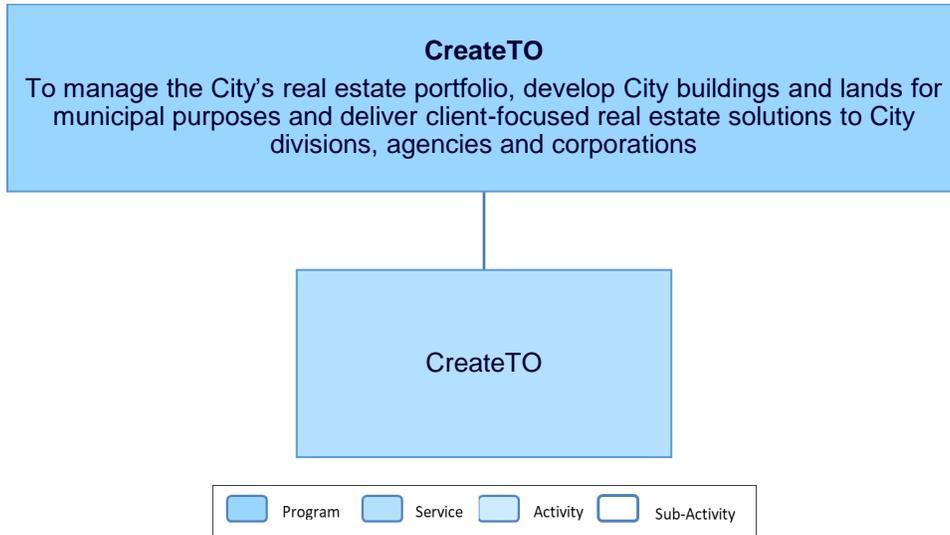
3. City Council direct CreateTO staff to continue to work with City staff on establishing a comprehensive Program map, Service-Based budgets for CreateTO, and associated service levels and performance measures during 2019 for the 2020 Budget process.

4. City Council direct CreateTO and Financial Planning Division to work together to assess the Agency’s short and long-term financial viability.



# 2019 STAFF RECOMMENDED OPERATING BUDGET

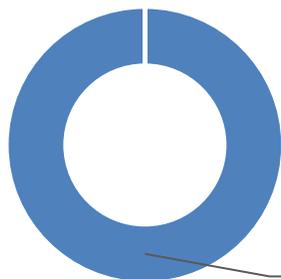
**PROGRAM MAP**



**2019 OPERATING BUDGET HIGHLIGHTS**

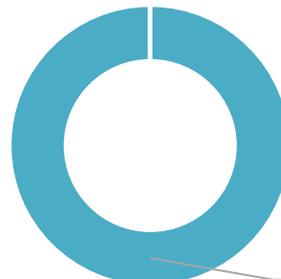
**2019 Staff Recommended Operating Budget \$12.5M**

**By Activity**



**CreateTO,**  
\$12.5, 100%

**By Funding Source**



**Sundry & Other,**  
\$12.5, 100%



- **0.0%** Net Budget increase over the 2018 Approved Net Operating Budget to maintain existing Agency operations and meet additional service demands.
- **\$0.965M** in new funding for an increase to complement of 5.0 positions to support expanding operational requirements of the Agency, including the CreateTO's Portfolio Strategy and City-Wide Real Estate Strategy.
- **2020/2021** increases for known inflationary adjustments primarily for salaries and benefits, and annualization costs of 2019 new additions.

**2019 OPERATING BUDGET OVERVIEW**

**Table 1: 2019 Staff Recommended Operating Budget and Plan by Service**

(In \$000s)	2018		2019			Changes		Incremental Change	
	Budget	Projected Actual*	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	\$	%	\$	\$
<b>CreateTO</b>									
Gross Expenditures	11,434.0	11,434.0	11,583.6	965.0	12,548.6	1,114.6	9.7%	(241.5)	246.1
Revenue	11,434.0	11,434.0	11,583.6	965.0	12,548.6	1,114.6	9.7%	(241.5)	246.1
<b>Total Net Expenditures</b>	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0
<b>Approved Positions</b>	51.0	0.0	50.0	5.0	55.0	4.0	7.8%	(1.0)	0.0

\* Year-End Projection Based on Q3 2018 Variance Report

Base Changes	New/Enhanced Services	Future Year Plan
<p>(\$0.150M Gross, \$0 Net)</p> <ul style="list-style-type: none"> <li>• Prior year impacts of \$0.577M driven by annualized costs for 2018 positions partially offset by reversal of one-time website and branding costs</li> <li>• Other salary and benefit adjustments for a total of \$0.161M include costs for harmonization of Human Resources policies and inflationary adjustments to salaries and benefits, partially offset by savings realized from the non-renewal of prior year temporary positions</li> <li>• Base expenditure decreases of \$0.763M to reflect savings and reallocation of professional and Board fees to Build Toronto and Toronto Port Lands Company (TPLC)</li> <li>• Increase of \$0.175M in other expenditures including additional IT services</li> <li>• Remaining pressures fully offset by increased contributions from Build Toronto and Toronto Port Lands Company (\$0.150M)</li> </ul>	<p>(\$0.965M Gross, \$0 Net)</p> <ul style="list-style-type: none"> <li>• Addition of 2.0 positions to support increased volume and expanded scope of work of CreateTO (\$0.090M)</li> <li>• Addition of 2.0 positions to support CreateTO's Portfolio Strategy including an Asset Manager and Analyst (\$0.204M)</li> <li>• Addition of 1.0 Lead - Data Analytics / Performance Measurement position to support the City-Wide Real Estate Strategy (\$0.141M)</li> <li>• Includes project investigative costs for feasibility studies (\$0.500M) and recruitment costs for hiring of new positions (\$0.030M)</li> </ul>	<ul style="list-style-type: none"> <li>• Inflationary increases in salaries and benefits.</li> <li>• Annualization impact of 2019 new services.</li> <li>• Reversal of one-time costs for recruitment and investigative project costs</li> <li>• Overall anticipated net budget increase of 0% in 2020 and 2021</li> </ul>

**EQUITY IMPACTS OF BUDGET CHANGES**

**No significant equity impacts:** the changes in CreateTO's 2019 Staff Recommended Operating Budget do not have any significant equity impacts.

## 2019 Staff Recommended Operating Budget Changes by Service

The 2019 Staff Recommended Operating Budget for CreateTO is \$0.000 million net, representing a 0% budget increase over the 2018 Council Approved Operating Budget. Table 2 below summarizes the key cost drivers to maintain current service levels as well as recommended new service priorities to meet outcomes.

**Table 2: 2019 Staff Recommended Operating Budget Changes by Service**

(In \$000s)	Services		Total
	CreateTO		
	\$	\$	Positions
<b>2018 Council Approved Operating Budget (Net)</b>	<b>0.0</b>	<b>0.0</b>	<b>51.0</b>
<b>Base Expenditure Changes</b>			
<b>Prior Year Impacts</b>			
Annualization of 2018 Positions	652.0	652.0	
Reversal of One-time Website & Branding Costs	(74.7)	(74.7)	
<b>Salaries and Benefits</b>			
Savings from Non-Renewal of Temporary Positions	(415.0)	(415.0)	(1.0)
Harmonization with City Human Resources Policies & Compensation	229.0	229.0	
Other Salary & Benefit Adjustments including Inflationary Increases	346.8	346.8	
<b>Other Base Expenditure Changes</b>			
Savings & Reallocation of Professional Fees to Build Toronto & TPLC	(643.3)	(643.3)	
Reduced Board Fees due to fewer meetings & reallocation to Build Toronto & TPLC	(120.0)	(120.0)	
Other Base Expenditure Changes including I&T Services	174.7	174.7	
<b>Sub-Total Base Expenditure Changes</b>	<b>149.6</b>	<b>149.6</b>	<b>(1.0)</b>
<b>Base Revenue Changes</b>			
Increased Contributions from Build Toronto & TPLC	(149.6)	(149.6)	
<b>Sub-Total Base Revenue Changes</b>	<b>(149.6)</b>	<b>(149.6)</b>	
<b>Total Base Changes</b>	<b>0.0</b>	<b>0.0</b>	<b>(1.0)</b>
<b>New &amp; Enhanced Services</b>			
<b>New Service Priorities</b>			
Add 1.0 Communications & Marketing Specialist for increased volume and scope of work (\$0.053M gross)	0.0	0.0	1.0
Add 1.0 Temporary Senior A/P Administrator for increased volume and scope of work (\$0.037M gross)	0.0	0.0	1.0
Add 1.0 Asset / Portfolio Manager to support CreateTO's Portfolio Strategy (\$0.122M gross)	0.0	0.0	1.0
Add 1.0 Analyst to support CreateTO's Portfolio Strategy (\$0.082M gross)	0.0	0.0	1.0
Add 1.0 Lead, Data Analytics / Performance Measurement to support the City-Wide Real Estate Model (\$0.141M gross)	0.0	0.0	1.0
Project Investigative Costs for Feasibility Studies (\$0.500M gross)	0.0	0.0	
Recruitment Costs (\$0.030M gross)	0.0	0.0	
<b>Sub-Total New &amp; Enhanced Services<sup>1</sup></b>	<b>0.0</b>	<b>0.0</b>	<b>5.0</b>

**Note:**

- For additional information, refer to [Appendix 5](#) (page 21) for the 2019 Staff Recommended New Service Priorities.

**CreateTO** leverage real estate expertise to lead a City-wide real estate strategy, identifying opportunities to modernize and harmonize operations, to drive service delivery to programs, and maximize real estate value in pursuit of social, economic, environmental, and program benefits.

**2019 Staff Recommended Operating Budget \$12.5M**



Refer to [Appendix 2](#) (page 20) for the 2019 Staff Recommended Operating Budget by Service.

## 2018 OPERATING PERFORMANCE

### 2018 Service Performance

#### Agency Set-Up:

- On-boarded a new Board of Directors
- Selected name and launched key branding assets such as the new website (createto.ca)
- Launched City-wide staff committees aligned to Agency mandate (City-Building; Strategic Program; Business & Operation).
- Harmonized Human Resources program (policies, compensation, etc.)

#### Portfolio Strategies:

- Supporting City Council's affordable housing priorities, taking the lead in identifying 11 transit oriented development sites to support the development of mixed-income communities ("Housing Now")
- Initiated work on real estate strategy (initiated City-wide portfolio strategy; Office Optimization plan; Industrial optimization; transit-oriented development).

#### Development & City Building:

- Executed several sales / leases with significant revenue generation (e.g. Canada Square; Billy Bishop 90% leased; 9 Madison; Markham & Dunelm).
- Enabling the delivery of the Port Lands Flood Protection project with a Master Licence Agreement with Waterfront Toronto, and relocation of impacted tenants.
- Facilitating project coordination & driving project delivery through collaboration with City staff for projects such as: Etobicoke Civic Centre; Rail Deck Park; Danforth Garage; Moss Park; Parkdale Hub.
- Supporting the City's growing film and television industry. As a shareholder, the sale of 51 per cent of Pinewood Studios to Bell Media triggered the development of an additional 170,000 SF of studio space. Also the acquisition of the former Showline Studios property has led to an agreement with Studio City Rentals, with the facility fully booked with major productions well into 2019 and potential for a further studio space on the site.
- Overseeing the construction of the Garrison Crossing pedestrian and cycle bridge, which is connecting communities from Trinity Bellwoods to the Fort York grounds.

## 2018 Financial Performance

Table 3: Budget vs. Actual by Category of Expenditures and Revenues

Category (In \$000s)	2018 Budget	2018 Projected Actual *	2019 Total Staff Recommended Budget	2019 Change from 2018 Approved Budget	
	\$	\$	\$	\$	%
Salaries and Benefits	8,798.1	8,798.1	10,046.0	1,247.9	14.2%
Materials & Supplies	77.4	77.4	83.3	5.9	7.6%
Equipment	102.6	102.6	248.0	145.4	141.7%
Service and Rent	2,428.9	2,428.9	2,154.0	(274.9)	(11.3%)
Other Expenditures	27.0	27.0	17.4	(9.6)	(35.6%)
<b>Total Gross Expenditures</b>	<b>11,434.0</b>	<b>11,434.0</b>	<b>12,548.6</b>	<b>1,114.6</b>	<b>9.7%</b>
Sundry and Other Revenues	11,434.0	11,434.0	12,548.6	1,114.6	9.7%
<b>Total Revenues</b>	<b>11,434.0</b>	<b>11,434.0</b>	<b>12,548.6</b>	<b>1,114.6</b>	<b>9.7%</b>
<b>Total Net Expenditures</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Approved Positions</b>	<b>51.0</b>	<b>53.5</b>	<b>55.0</b>	<b>4.0</b>	<b>7.8%</b>

\* Year-End Projection Based on Q3 2018 Variance Report

CreateTO is projecting to be on budget at year-end which reflects an increase of 2.5 positions above the 2018 Council Approved total complement of 51.0 due to in-year staffing additions to meet the operational needs of the Agency.

For additional information regarding the 2018 Q3 operating variances and year-end projections, please refer to the attached link for the report entitled "Operating Variance Report for the Nine-Month Period Ended September 30, 2018", adopted by City Council at its meeting on December 13, 2018.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.7>

## Impact of 2018 Operating Variance on the 2019 Staff Recommended Operating Budget

As of the Q3 Variance Report CreateTO is projecting to be on budget for 2018, however have required 2.5 additional positions due to operational needs and expanded scope of work. This experience has been accounted for in the 2019 Staff Recommended Operating Budget for CreateTO with a total complement of 55 positions to address their increasing workload and expanded scope. As a result, the 2019 Staff Recommended Expenditure Budget for Salaries and Benefits has also increased to reflect the increased number of positions.



## ISSUES FOR DISCUSSION

## ISSUES IMPACTING THE 2019 BUDGET

### 2019 Budget Overview

#### Operating Budget:

- CreateTO was established to manage the City's real estate portfolio by developing City buildings & lands for municipal purposes and to deliver client-focused real estate solutions to City divisions, agencies and corporation.
- The 2018 Operating Budget for CreateTO was \$11.434 million gross, \$0 net and reflected the first full year of operation for the new City agency. The 2018 Operating Budget for CreateTO was developed through the consolidation of the 2017 Operating Budgets for Build Toronto and Toronto Port Lands Company.
- As of the 2018 Q3 Variance Report CreateTO are projecting to be on budget, with an additional 2.5 positions over the approved 2018 complement of 51.0.
- During 2018, CreateTO has worked collaboratively with City stakeholders, external partners and community members to develop real estate solutions that are innovative and effective in design and delivery which will create more livable, sustainable and inclusive communities.
- These initiatives will continue to be developed and implemented throughout 2019 and include the following:
  - Building out CreateTO's new core functions;
  - Recruiting for leadership positions;
  - Developing key business plans and strategies;
  - Reviewing and designing operational processes, standards, and policies;
  - Continuing to develop the Asset Management Delivery Plan;
  - Prioritizing and resourcing the Real Estate Portfolio Strategy;
  - Centralizing business intelligence and foundational data;
  - Strategic sourcing and contracting optimization plan;
  - Exploring and evaluating the next phase of centralization; and
  - Providing expertise on key City building projects and being instrumental in the development of key strategies focused on affordable housing and transit oriented development, such as the "Housing Now" initiative.
- The 2019 Staff Recommended Operating Budget accounts for the above initiatives with \$0.965 million gross, \$0 net, in new service funding including the addition of 5.0 new positions fully funded by contributions from Build Toronto and the Toronto Port Land Company. New positions will support the above initiatives as well as the increased volume and expanded scope of work CreateTO has experienced in 2018.
  - Funding for five new positions is recommended to add 1.0 Communications & Marketing Specialist and 1.0 Temporary Senior A/P Administrator due to the increased workload and expanded scope of work; 1.0 Asset / Portfolio Manager and 1.0 Analyst to support CreateTO's Portfolio Strategy; and 1.0 Lead, Data Analytics / Performance Measurement to support the City-Wide Real Estate Model.
  - New funding of \$0.500 million gross, \$0 net, for project investigative costs for feasibility studies and \$0.030 million gross, \$0 net, to support recruitment efforts is also recommended.
- Moving into 2020 and 2021, CreateTO is anticipating inflationary increases to salaries and benefits, rental costs, and other expenditures, fully offset by the reversal of one-time recruitment costs and investigative costs for feasibility studies, as well as adjustments to contributions from Build Toronto and Toronto Port Land Company.

In summary, CreateTO continues to face many service challenges and budget pressures in 2019. The Staff Recommended 2019 Operating Budget will continue to support and implement CreateTO's mandate and address service priorities while maintaining the services for all residents and businesses across the city.

## OTHER ISSUES IMPACTING THE 2019 BUDGET

### Modernization, Transformation and Innovation Initiatives

Continuing with the build-out of City-wide Real Estate, CreateTO are working with Real Estate Services and Facilities Management on modernization initiatives and which are representative of the Agency's strategic goals. They include:

- Design for a new mandate will build out new pillars and strategic plans. This will require an appropriate investment and set up of new core functions with a clear project pipeline. For example:
  - **Portfolio Strategy:** An umbrella strategy that will identify clear approaches to maximize the portfolio; opportunities and priorities; and asset optimization plans (Office, Industrial, Transit Oriented Development).
  - **Asset Management:** The design of a future state real estate asset management practice that includes a centralized management approach taking into account the City's data management, operational, governance, and procedural realities. This effort will be aligned with the City's Integrated Asset Planning and Management Framework, currently being developed for all City assets.
- Business integration will complete the transition and integration of teams, brand identity, business operations and processes. This will create a cohesive, operationally harmonized agency with business foundations and processes in place for Finance/Accounting, Human Resources, Information & Technology, Procurement, Marketing and Communications, as well as, Legal and Governance.
- Relationships and partnerships will focus efforts on establishing City partnerships and building trust, while setting operational boundaries. This will result in new working partnerships and collaborative relationships with clear expectations between CreateTO and key stakeholder groups.

## ISSUES REFERRED TO THE 2019 BUDGET PROCESS

### Housing Now Initiative

- On December 13, 2018, City Council approved the new Housing Now Initiative to activate 11 City-owned sites for the development of affordable housing within mixed-income, mixed-use and transit-oriented communities. The first phase of the Housing Now Initiative will activate the 11 properties with the potential to create approximately 10,000 new residential units.

Item CC1.3: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC1.3>

- A report entitled 'Implementing the Housing Now Initiative' will be addressed by City Council on January 30, 2019, that recommends the addition of 2.0 temporary positions at a cost of \$0.293 million gross, \$0 net to CreateTO's complement to support the expedited delivery of the 11 identified properties, subject to approval of funding from the City Building Reserve Fund. Should the item be adopted by City Council, the 2019 Operating Budget for CreateTO will be adjusted accordingly. Future year staffing requests will be subject to Council approval through the annual budget process.

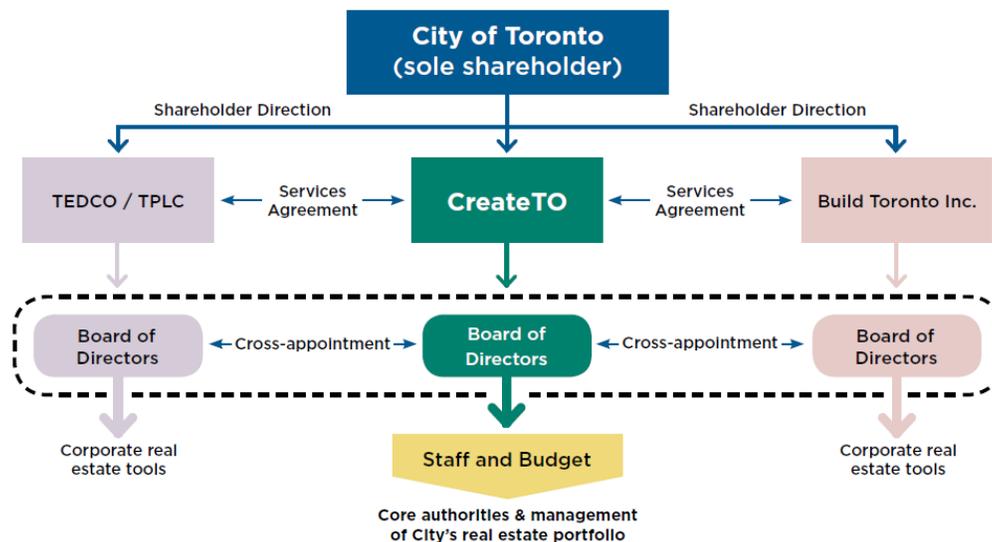
Item EX1.1: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX1.1>

**ISSUES IMPACTING FUTURE YEARS**

**CreateTO Governance Structure**

- Under the Agency's current governance structure, decisions will continue to be made by CreateTO's management team and Board of Directors, with City Council having ultimate authority over activities within CreateTO. Any initiative or project transacted via CreateTO's corporate arms (Build Toronto Inc. and Toronto Port Lands Company) will adhere to the shareholder directions approved by Council.
- A Relationship Framework between CreateTO and the City of Toronto is currently in development and CreateTO will continue to develop its governance structure and model during its incubation period, in coordination with the City's policies and procedures. Refer to Figure 1 below for the current governance structure of the Agency:

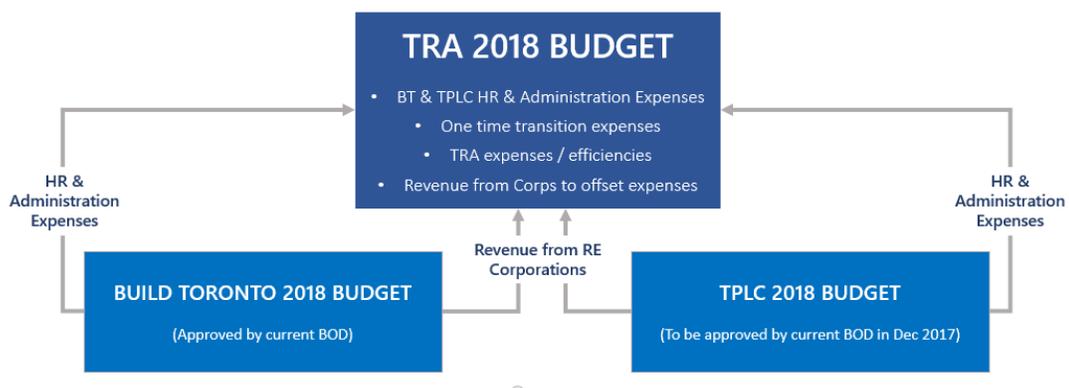
**Figure 1: Current Governance Structure of CreateTO**



**Model for Financial Sustainability**

- Through a service agreement, the operations of CreateTO are fully funded and reliant upon the financial performance of Build Toronto (BT) & Toronto Port Lands Company (TPLC), as presented in the financial model below:

**Figure 2: Financial Model for CreateTO**



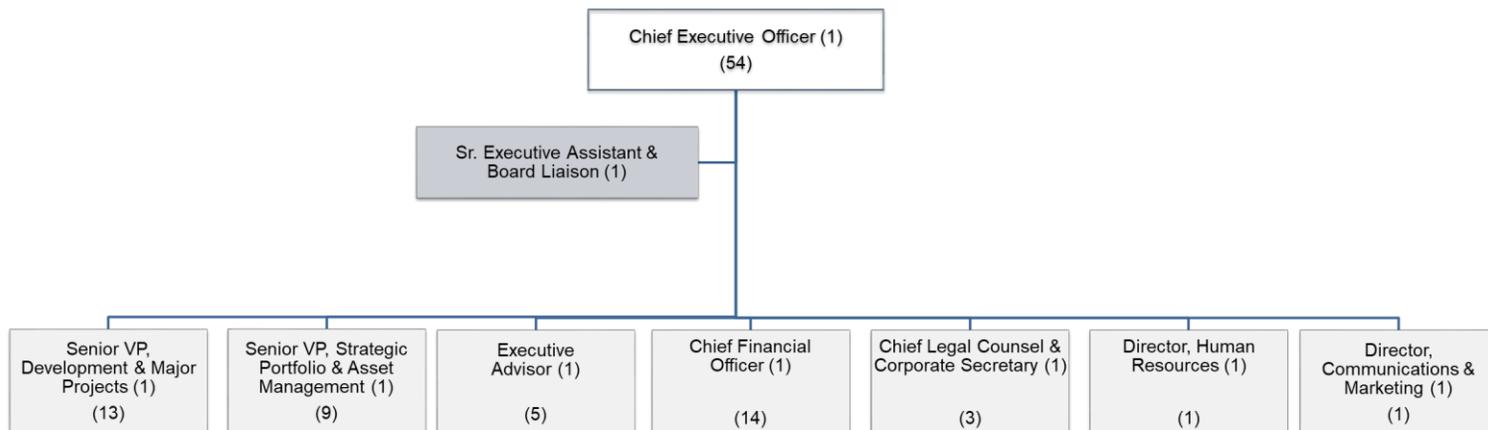
- Noted below are future risks to the revenue streams and viability of BT and TPLC and accordingly, are risks to the funding mechanisms of CreateTO. Existing reserves and cash balances within these two corporations are however, more than sufficient for CreateTO over its incubation period. As such, the following factors can be considered low risks to CreateTO's short term viability but will increase over time:
  - Port Lands Flood Protection Project - The Toronto Port Lands will be undergoing a significant multi-year construction project aimed at providing flood protection for 240 hectares of land. The project will impact the future revenue stream of TPLC's leasing and licensing revenue. The full impact on future revenue is still being determined, however, there is expected to be a loss in recurring revenues in TPLC. It is expected the corporation will remain a going concern, however, any lost revenue will affect the revenue and cash reserves available to fund CreateTO's expenses.
  - Availability of Surplus City Properties to Develop - Build Toronto's revenues are reliant upon a pipeline of surplus properties to be transferred from the City to be commercially developed (sold or leased) for proceeds. Without a change to the current financial model, transfer of properties for commercial or revenue earning mixed-use projects will be necessary to financially sustain CreateTO over the long-term.
- A future year outlook has been completed for the remainder of the incubation period (2019-2020) and determined that there are sufficient revenues and cash reserves from BT's development sales and TPLC's recurring leasing/licensing revenues to ensure funding for CreateTO operations.
- It is recommended that CreateTO and Financial Planning Division work together to assess short and long-term financial viability.



# APPENDICES

## Appendix 1

### 2019 Organization Chart



The 2019 total staff complement includes the Chief Executive Officer and staff for a total of 55.0 positions, comprising 0.0 capital positions and 55.0 operating positions as summarized in the table below.

### 2019 Total Complement

	Category	Senior Management	Management with Direct Reports	Management without Direct Reports/Exempt Professional & Clerical	Union	Total
Operating	Permanent	9.0	11.0	34.0	-	54.0
	Temporary			1.0	-	1.0
	<b>Total Operating</b>	<b>9.0</b>	<b>11.0</b>	<b>35.0</b>	<b>-</b>	<b>55.0</b>
<b>Grand Total</b>		<b>9.0</b>	<b>11.0</b>	<b>35.0</b>	<b>-</b>	<b>55.0</b>

## Appendix 2

### 2019 Operating Budget by Service

#### CreateTO

(In \$000s)	2018	2019			Changes		Incremental Change	
	Approved Budget	Base	New / Enhanced	Total Staff Recommended Budget			2020 Plan	2021 Plan
By Service	\$	\$	\$	\$	\$	%	\$	\$
<b>CreateTO</b>								
Gross Expenditures	11,434.0	11,583.6	965.0	12,548.6	1,114.6	9.7%	(241.5)	246.1
Revenue	11,434.0	11,583.6	965.0	12,548.6	1,114.6	9.7%	(241.5)	246.1
<b>Total Net Expenditures</b>	0.0	0.0	0.0	0.0	0.0	-	(0.0)	0.0
<b>Approved Positions</b>	51.0	50.0	5.0	55.0	4.0	7.8%	(1.0)	0.0

## Appendix 5

### Summary of 2019 New / Enhanced Service Priorities

New / Enhanced Service Description (in \$000s)	New and Enhanced		Total	Incremental Change			
	CreateTO		Position	2020 Plan		2021 Plan	
	Gross	Net	#	Net	Pos.	Net	Pos.
<b>New Service Priorities</b>							
<b>Staff Initiated:</b>							
1.0 Communication & Marketing Spec. for Adtl Volume & Scope	53.1		1.0				
1.0 Senior Accounts Payable Admin. for Adtl Volume & Scope	37.0		1.0		(1.0)		
1.0 Asset/Portfolio Manager (Portfolio Strategy)	122.1		1.0				
1.0 Analyst Position (Portfolio Strategy)	82.3		1.0				
1.0 Lead, Data Analytics / Performance Measurement Position	140.5		1.0				
Additional Recruitment Costs	30.0						
Project Investigative Costs for Feasibility Studies	500.0						
<b>Sub-Total Staff Initiated</b>	<b>965.0</b>		<b>5.0</b>		<b>(1.0)</b>		
<b>Total New Service Priorities</b>	<b>965.0</b>		<b>5.0</b>		<b>(1.0)</b>		

## 2019 Operating Budget - Staff Recommended New and Enhanced Services Summary by Service (\$000's)

Form ID		Agencies - Cluster  Program - CreateTO	Adjustments				2020 Plan Net Change	2021 Plan Net Change	
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions			
18796		Project Investigative Costs for Feasibility Studies							
74	No Impact	<b>Description:</b>							
Funding of \$0.500M gross, \$0 net, on a one-time basis to perform investigative work to assess the feasibility of projects.									
<b>Service Level Impact:</b>									
Funds will allow CreateTO to perform necessary investigative work in assessing the feasibility of projects.									
<b>Equity Statement:</b>									
The proposal is unlikely to have an equity impact.									
<b>Service:</b> CreateTO									
Total Staff Recommended Changes:			500.0	500.0	0.0	0.00	0.0	0.0	
<b>Staff Recommended New/Enhanced Services:</b>			<b>500.0</b>	<b>500.0</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>	
18803		1.0 Communication & Marketing Spec. for Adtl Volume & Scope							
74	No Impact	<b>Description:</b>							
The addition of 1.0 Permanent Communications and Marketing Specialist position is recommended to assist with the expanded scope and the increased volume of work of the Agency due to staff departures in 2018, at a cost of \$0.053M gross, \$0 net.									
<b>Service Level Impact:</b>									
Funds will allow CreateTO to better manage the additional scope and volume of work.									
<b>Equity Statement:</b>									
The proposal is unlikely to have an equity impact.									
<b>Service:</b> CreateTO									
Total Staff Recommended Changes:			53.1	53.1	0.0	1.00	0.0	0.0	
<b>Staff Recommended New/Enhanced Services:</b>			<b>53.1</b>	<b>53.1</b>	<b>0.0</b>	<b>1.00</b>	<b>0.0</b>	<b>0.0</b>	

**Category:**

71 - Operating Impact of New Capital Projects  
72 - Enhanced Services-Service Expansion

74 - New Services  
75 - New Revenues

## 2019 Operating Budget - Staff Recommended New and Enhanced Services Summary by Service (\$000's)

Form ID		Agencies - Cluster  Program - CreateTO	Adjustments				2020 Plan Net Change	2021 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
18804		1.0 Senior Accounts Payable Admin. for Adtl Volume & Scope						
74	No Impact	<b>Description:</b>						
<p>The addition of 1.0 Temporary Senior Accounts Payable Administrator position is recommended to assist with the expanded scope and the increased volume of work of the Agency due to staff departures in 2018, at an incremental cost of \$0.037M gross, \$0 net and with an end date of December 31, 2019. The position was budgeted for six months in 2018 with the expectation it would be delimited by the end of the year. Due to additional volume in work this position is required in 2019.</p> <p><b>Service Level Impact:</b></p> <p>The position will allow CreateTO to better manage the additional scope and volume of work.</p> <p><b>Equity Statement:</b></p> <p>The proposal is unlikely to have an equity impact.</p> <p><b>Service:</b> CreateTO</p>								
Total Staff Recommended Changes:			37.0	37.0	0.0	1.00	0.0	0.0
<b>Staff Recommended New/Enhanced Services:</b>			<b>37.0</b>	<b>37.0</b>	<b>0.0</b>	<b>1.00</b>	<b>0.0</b>	<b>0.0</b>

18805		1.0 Asset/Portfolio Manager (Portfolio Strategy)					
74	No Impact	<b>Description:</b>					
<p>The addition of 1.0 Permanent Asset/Portfolio Manager as part of the Portfolio Strategy team at a cost of \$0.122M gross, \$0 net is recommended. This Portfolio Strategy will outline the Agency's plan to maximize value for over 6,500 city-owned real estate assets. In 2018, the main focus was developing the City's first real estate strategy framework and developing optimization plans for three asset types: Office space, Transit sites and Affordable Housing. The addition of the Asset/Portfolio Manager will focus on developing optimization plans for other asset types (e.g. Emergency Services, Industrial, Community Infrastructure), and producing asset management plans for individual properties.</p> <p><b>Service Level Impact:</b></p> <p>The position will allow CreateTO to develop asset optimization plans for other asset classes including Emergency Services, Industrial, and Community Infrastructure.</p> <p><b>Equity Statement:</b></p> <p>The proposal is unlikely to have an equity impact.</p>							

**Category:**

71 - Operating Impact of New Capital Projects  
72 - Enhanced Services-Service Expansion

74 - New Services  
75 - New Revenues

## 2019 Operating Budget - Staff Recommended New and Enhanced Services Summary by Service (\$000's)

Form ID		Agencies - Cluster  Program - CreateTO	Adjustments				2020 Plan Net Change	2021 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		
		<b>Service:</b> CreateTO						
		Total Staff Recommended Changes:	122.1	122.1	0.0	1.00	0.0	0.0
		<b>Staff Recommended New/Enhanced Services:</b>	<b>122.1</b>	<b>122.1</b>	<b>0.0</b>	<b>1.00</b>	<b>0.0</b>	<b>0.0</b>

18806	1.0 Analyst Position (Portfolio Strategy)															
74	No Impact	<p><b>Description:</b></p> <p>The addition of 1.0 Permanent Analyst as part of the Portfolio Strategy team at a cost of \$0.082M gross, \$0 net is recommended. This Portfolio Strategy will outline the Agency's plan to maximize value for over 6,500 city-owned real estate assets. In 2018, the main focus was developing the City's first real estate strategy framework and developing optimization plans for three asset types: Office space, Transit sites and Affordable Housing. The addition of the Analyst position will focus on developing optimization plans for other asset types (e.g. Emergency Services, Industrial, Community Infrastructure), and producing asset management plans for individual properties.</p> <p><b>Service Level Impact:</b></p> <p>The position will allow CreateTO to develop asset optimization plans for other asset classes including Emergency Services, Industrial, and Community Infrastructure.</p> <p><b>Equity Statement:</b></p> <p>The proposal is unlikely to have an equity impact.</p> <p><b>Service:</b> CreateTO</p>														
		Total Staff Recommended Changes:														
		<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="text-align: right;">82.3</td> <td style="text-align: right;">82.3</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">1.00</td> <td style="text-align: right;">0.0</td> <td style="text-align: right;">0.0</td> </tr> <tr> <td><b>Staff Recommended New/Enhanced Services:</b></td> <td style="text-align: right;"><b>82.3</b></td> <td style="text-align: right;"><b>82.3</b></td> <td style="text-align: right;"><b>0.0</b></td> <td style="text-align: right;"><b>1.00</b></td> <td style="text-align: right;"><b>0.0</b></td> <td style="text-align: right;"><b>0.0</b></td> </tr> </table>		82.3	82.3	0.0	1.00	0.0	0.0	<b>Staff Recommended New/Enhanced Services:</b>	<b>82.3</b>	<b>82.3</b>	<b>0.0</b>	<b>1.00</b>	<b>0.0</b>	<b>0.0</b>
	82.3	82.3	0.0	1.00	0.0	0.0										
<b>Staff Recommended New/Enhanced Services:</b>	<b>82.3</b>	<b>82.3</b>	<b>0.0</b>	<b>1.00</b>	<b>0.0</b>	<b>0.0</b>										

18807	1.0 Lead, Data Analytics / Performance Measurement Position	
74	No Impact	<p><b>Description:</b></p> <p>The addition of 1.0 Permanent Lead, Data Analytics / Performance Measurement Position at a cost of \$0.141M gross, \$0 net, is recommended to work with City staff to build a city-wide view of key business data including the assessment of foundational real estate data and prioritizing / acquiring asset management data. This will allow business decisions using a city-wide lens and the identification of operating and capital savings in the portfolio and delivery of real estate service.</p>

## 2019 Operating Budget - Staff Recommended New and Enhanced Services Summary by Service (\$000's)

Form ID		Agencies - Cluster  Program - CreateTO	Adjustments				2020 Plan Net Change	2021 Plan Net Change
Category	Equity Impact		Gross Expenditure	Revenue	Net	Approved Positions		

**Service Level Impact:**

The position will allow CreateTO to develop their data analytics and performance measurement framework allowing intelligent business decisions and the identification of potential future savings opportunities in the portfolio and delivery of real estate service.

**Equity Statement:**

The proposal is unlikely to have an equity impact.

**Service:** CreateTO

Total Staff Recommended Changes:	140.5	140.5	0.0	1.00	0.0	0.0
----------------------------------	-------	-------	-----	------	-----	-----

<b>Staff Recommended New/Enhanced Services:</b>	<b>140.5</b>	<b>140.5</b>	<b>0.0</b>	<b>1.00</b>	<b>0.0</b>	<b>0.0</b>
---	--------------	--------------	------------	-------------	------------	------------

18808	Additional Recruitment Costs
74	No Impact

Additional Recruitment Costs

**Description:**

Provision for one-time recruitment costs for external services depending on the Human Resources operational needs of the Agency.

**Service Level Impact:**

Funds for recruitment purposes will allow vacation positions to be filled more quickly.

**Equity Statement:**

The proposal is unlikely to have an equity impact.

**Service:** CreateTO

Total Staff Recommended Changes:	30.0	30.0	0.0	0.00	0.0	0.0
----------------------------------	------	------	-----	------	-----	-----

<b>Staff Recommended New/Enhanced Services:</b>	<b>30.0</b>	<b>30.0</b>	<b>0.0</b>	<b>0.00</b>	<b>0.0</b>	<b>0.0</b>
---	-------------	-------------	------------	-------------	------------	------------

**Summary:**

<b>Staff Recommended New / Enhanced Services:</b>	<b>965.0</b>	<b>965.0</b>	<b>0.0</b>	<b>5.00</b>	<b>0.0</b>	<b>0.0</b>
---	--------------	--------------	------------	-------------	------------	------------

**Category:**

71 - Operating Impact of New Capital Projects	74 - New Services
72 - Enhanced Services-Service Expansion	75 - New Revenues