



City Wide Real Estate: Background and Program Update

Presentation to TPA Board of Directors

December 12, 2019

City-Wide Real Estate Portfolio

The City has one of **largest** and most **complex** portfolios in **North America**



8,446 properties on 28,823 acres of land
6,656 on 27,592 acres without TCHC and Toronto Hydro



6,976 buildings with 106.3 million square feet
2,502 buildings without TCHC and Toronto Hydro



\$1.1 billion operating costs/year
\$724 million excluding TCHC and Toronto Hydro

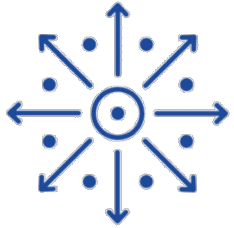


\$1B capital & development costs/year
\$608 million excluding TCHC and Toronto Hydro

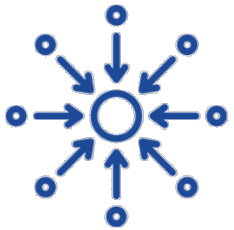


\$27 billion assessed property value
\$17 billion excluding TCHC and Toronto Hydro

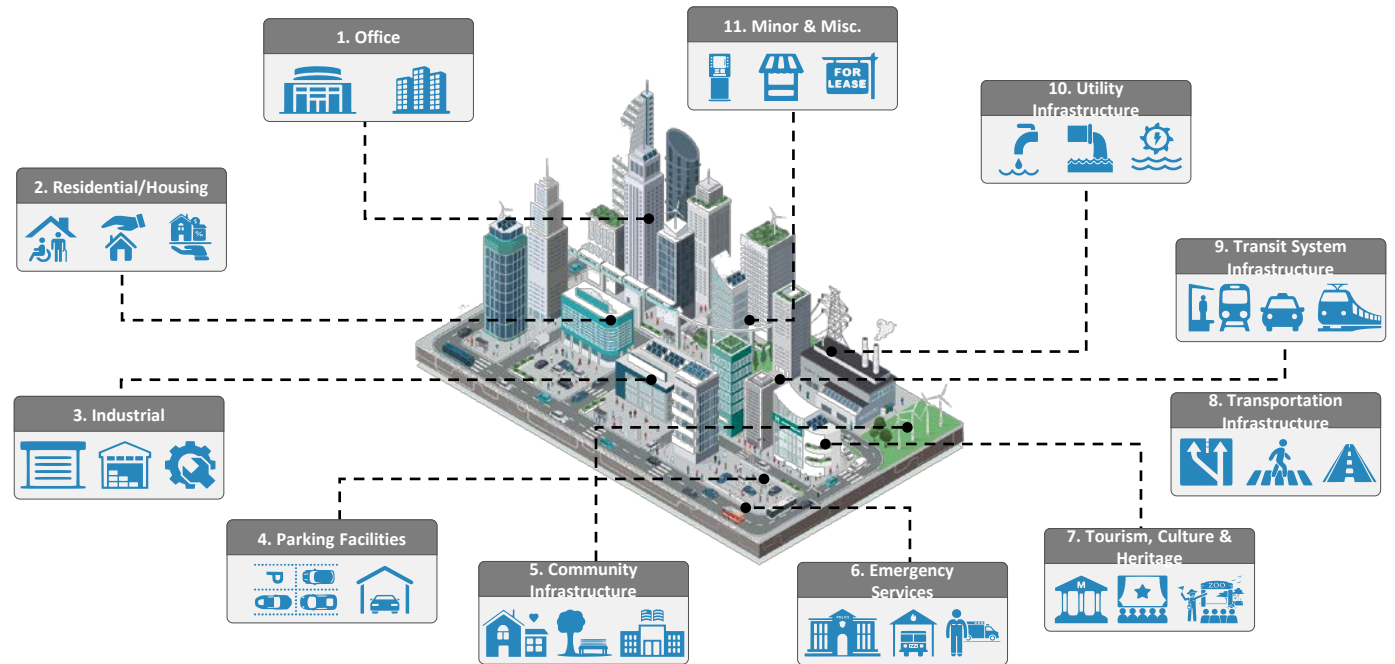
City-wide Real Estate Program Business Challenge



MOVING FROM: Decentralized real estate management
No City-wide portfolio plan



TO: Centralized stewardship and planning for real estate assets



City-Wide Real Estate Mandate



ENABLE CITY-BUILDING

Enable City Priorities & Pursue Opportunities In The Public Interest

PROGRAM FOCUSED

Deliver Quality Real Estate Service & Solutions To City Programs

REAL ESTATE ASSET STEWARDSHIP

Governance & Oversight Of All City-Wide Real Estate Activities

City-Wide Real Estate Journey and Path Forward



- ✓ Consolidated authorities for land use decision making, strategic portfolio planning, and launched CreateTO (Complete)
- Centralize asset planning & ownership of real estate capital planning / investment
- Centralize operational strategy & ownership of buildings (budget / costs / contracting)
- Streamline front-line service delivery (who does what?)

City-wide Real Estate model

Approved in 2017 - the new “City-wide Real Estate” model initiated a process to **centralize real estate authorities & decision-making**, formerly delivered across 24 divisions, agencies and corporations, and allow the City to **take a coordinated whole of government approach in maximizing the use of real estate assets**.

The City of Toronto’s new approach streamlines governance, authorities, and coordination.

The model leverages multi-disciplinary integrated team, which includes:

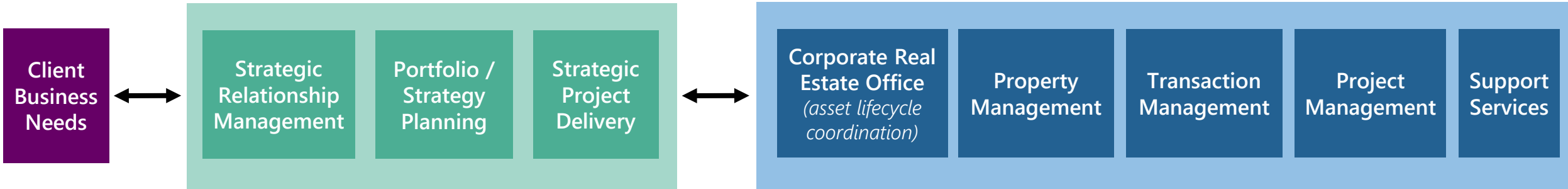
1. **CreateTO**, the City’s new real estate strategy and planning agency;
2. **Corporate Real Estate Management Division** under the Deputy City Manager, Corporate Services, with an expanded city-wide scope and service delivery mandate; and
3. **Partner / Stakeholder City programs with significant real estate footprints** such as the Toronto Transit Commission; Toronto Public Library; Toronto Parking Authority; Parks, Forestry, and Recreation; Exhibition Place; Toronto Police; Shelter, Support, and Housing Administration; Children’s Services, etc.

Full Service Real Estate Program

Centralized Real Estate Strategy function with integrated, tightly aligned Corporate Real Estate implementation team.

Core Strategy & Planning

Real Estate Management & Service Delivery

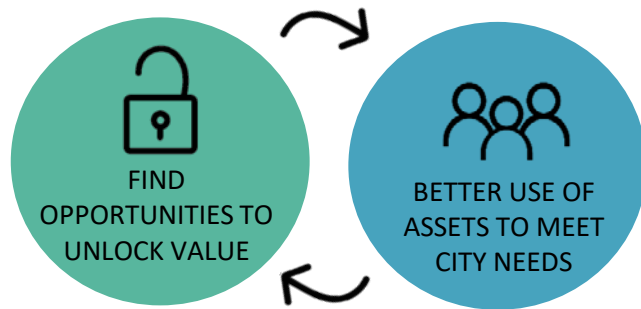


City-wide Real Estate Principles:

1. Consolidate functions where appropriate (people, budget, activity);
2. If cannot consolidate, centralize via authorities; standard practices; & City-wide master contracting.
3. Apply streamlined oversight, governance, & decision making

City-Wide Real Estate Strategy

For the first time, the City has the appropriate structure, expertise & capacity to deliver a **City-Wide Real Estate Strategy**, providing an overall framework to optimize the City's real estate portfolio.



MANDATE OF PORTFOLIO STRATEGY

- 1. Determine the best use of City-wide real estate assets**
(best = meeting the needs of City Council, City programs and City communities)
- 2. Make recommendations regarding optimal use**
(consensus building through broad stakeholder engagement and feedback)
- 3. Implement approved strategies**
(provide solutions that are feasible, realistic and bold e.g. Housing Now)

WHAT ARE THE 11 REAL ESTATE ASSET CLASSES?

1. Office
2. Industrial
3. Residential/Housing
4. Parking Facilities
5. Community Infrastructure
6. Emergency Services
7. Tourism, Culture & Heritage
8. Transportation Infrastructure
9. Transit System Infrastructure
10. Utility Infrastructure
11. Minor & Miscellaneous

Key benefits of CWRE Model to TPA

- 1. Dedicated CRM for program solutions & customer service needs**
 - Senior level staff to proactively plan & solution real estate requirements with key TPA staff
 - Funded position at CreateTO to support TPA activities
- 2. Management of both “day-to-day” activities (*operational / transactional*) & strategic projects (*Office Optimization*)**
 - All real estate needs provided through the model vs. navigating various entities
- 3. Staff Committee focused on programs area needs (City Building & Strategic Program Management)**
 - Dedicated venue to address real estate needs with senior staff and build greater connections to other programs (City-wide view)
- 4. Access to Board/Industry Expertise**
 - Additional expertise at Board level to guide, advise and steer major real estate solutions to meet City requirements