

CreateTO 2024 Financial Results

Date: April 4, 2025

To: The Board of Directors of CreateTO

From: Chief Executive Officer

Wards: All

SUMMARY

As the City of Toronto's real estate agency, CreateTO applies a strategic city-wide lens to Toronto's real estate holdings, develops City buildings and lands for municipal purposes and delivers real estate solutions to advance City Council's key public policy goals and meet the program needs of City divisions, agencies, and corporations.

Toronto has an extensive real estate portfolio, which holds tremendous value, both financially and in its potential to be activated for the public good. CreateTO was established to put that value to use for our city. The agency offers creative and strategic approaches to solving some of our city's most pressing challenges, from building affordable homes and inclusive communities, to creating cultural and employment opportunities, driving economic prosperity, achieving our climate goals, and increasing our collective quality of life. Key accomplishments achieved in 2024 have been summarized in CreateTO's 2024 Highlights Report. Please refer to Attachment 1 for details.

For the year ending December 31, 2024, KPMG LLP conducted the audit and delivered a clean audit opinion. Please refer to Attachment 2 for KPMG LLP's audit findings report and Attachment 3 for the audited financial statements

RECOMMENDATIONS

The Chief Executive Officer recommends that the CreateTO Board of Directors:

1. Receive for information the CreateTO's Highlights Report, in Attachment 1 of this report.
2. Receive for information KPMG LLP's audit findings report, in Attachment 2 of this report.
3. Approve CreateTO's 2024 Audited Financial Statements, in Attachment 3 of this report.
4. Direct the Clerk to hold back on transmitting the CreateTO 2024 Financial Results and CreateTO Highlights Report to City Council for approval until such time as Build

Toronto Inc. and Toronto Port Lands Company Financial Statements are submitted to City Council for approval.

5. Recommend that City Council receive for information the CreateTO Highlights Report, in Attachment 1 of this report.
6. Recommend that City Council approve CreateTO's 2024 Audited Financial Statements, in Attachment 3 of this report.

FINANCIAL IMPACT

For the year ending December 31, 2024, gross expenditures were \$18.23 million. This represents a \$0.23 million favorable variance to budget. Please see Table 1 for details.

Table 1: 2024 Financial Results

(in millions)	Actual \$	Budget \$	Variance \$
Revenue			
Advisory & operations management ¹	7.20	6.96	0.24
Port Land management ²	5.31	5.31	-
City project management ³	4.64	4.98	(0.34)
Other revenue ⁴	1.08	1.21	(0.13)
	18.23	18.46	(0.23)
Expenditures			
Salaries and benefits	16.33	16.35	(0.02)
Office services and other	1.05	1.11	(0.06)
Professional fees	0.31	0.35	(0.04)
Marketing & promotion	0.21	0.25	(0.04)
Project investigative costs	0.33	0.40	(0.07)
	18.23	18.46	(0.23)
Net Income	-	-	-

**Note: Capital expenditures are capitalized in actual results but expensed for City reporting purposes. This results in a variance in total expenditures of \$0.18 million as reported to the City versus the \$0.23 million indicated above.*

1. Advisory & operations management revenue is received by CreateTO to explore, address, and solution real estate requests from Divisions, Agencies, Corporations, City Council and City leadership. This amount will fluctuate on an annual basis.

2. Port Lands management revenue is received to support the day-to-day property management and asset management functions in the Port Lands.

3. City project management revenue reflects fees earned to advance capital real estate projects on behalf of the City. These projects primarily include housing projects funded through the Housing Secretariat, and ModernTO projects funded through Corporate Real Estate Management Services (CREM). This amount will fluctuate annually based on the volume and timing of projects.

4. Other revenue reflects budget transfers which come with corresponding revenue and expenses and reflect the consolidation of real estate functions at CreateTO. Lower other revenue reflects in-year vacancies.

DECISION HISTORY

Audited financial statements for CreateTO are required to be submitted on an annual basis to the Board and to City Council. <https://www.toronto.ca/legdocs/municode/toronto-code-215.pdf>

COMMENTS

In 2024, CreateTO continued to identify, evaluate, and provide strategic real estate solutions to meet the needs of the City of Toronto. The resources supported by the 2024 CreateTO Operating Budget were deployed to execute on the following priorities:

1. Provide real estate advisory services and solutions to City Divisions, Agencies and Corporations to help address their capital real estate needs in order to expand, enhance and improve programs and services to the residents of Toronto.
2. Deliver Council-directed policy goals: City Council is committed to improving the quality of life for Torontonians by focusing on key public policy goals to achieve a more affordable, livable, and resilient city. In keeping with these objectives, CreateTO develops real estate solutions to optimize the use of City-owned real estate to achieve meaningful impact in the following policy areas:

Housing: CreateTO, together with the City and our development partners, celebrated major milestones as we continued to deliver more housing. In 2024, zoning amendments were approved by Council on sites like 777 Victoria Park Avenue, 2444 Eglinton Avenue East, and 275 Merton Street. Combined, these projects will deliver more than 2,000 new homes, including a minimum of 30 per cent affordable rentals and rent-controlled co-operative homes. CreateTO also provided support to the Housing Secretariat on the Rental Housing Supply Program, which will provide additional funding and incentives towards 18 housing projects, aligning with the City's HousingTO and Housing Action Plan objectives.

Environmental Sustainability: CreateTO is proud to help advance the City's sustainability objectives, including through the Mass Timber pilot project at 1113-1117 Dundas Street West. Rezoning on this development, which will be one of the lowest carbon buildings in Toronto, was approved by City Council in 2024. Further, the new Etobicoke Civic Centre, which broke ground in 2024, will use district energy

and become part of Toronto's first near net zero emissions community.

Economic Development: In 2024, CreateTO announced a partnership for the redevelopment of the former Toronto Coach Terminal site at 610 Bay Street and 130 Elizabeth Street. The development provides an exciting opportunity to preserve a heritage asset while enabling the delivery of affordable housing targeted towards health care workers and the Indigenous community and other city-building benefits, including the delivery of a Paramedic Services Multi-Hub, the inclusion of an organ repair centre, a public plaza and both retail shops and cafes.

Equity and Inclusion: CreateTO is committed to Equity and Inclusion in the workplace and in our project delivery. We continue to implement our Diversity, Equity and Inclusion (DEI) strategy across the organization and are supporting DEI-related projects across the City, including shelters and the delivery of affordable housing.

Truth and Reconciliation: CreateTO is committed to taking meaningful actions to advance the City's Reconciliation Action Plan (RAP) and to develop strong relationships with First Nations, Inuit and Métis communities. We are participating in the City's RAP Steering Committee, continue to provide Indigenous cultural competency training for all staff, are partnering with the City's Indigenous Affairs Office to find community space for Indigenous organizations to deliver services and collaborating with our partners to better engage Indigenous communities in our work.

On Leslie Lookout Park, for example, the input provided through our Indigenous Community Sharing Meetings shaped the design of the park, specifically the lookout tower, which features openings to the sky and the four cardinal directions. A mural depicting the Great Anishinaabe Migration by Indigenous artist and architectural designer Dani Kastelein-Longlade of Brook McIlroy was installed on the hoarding while the park was being constructed and the official opening ceremony was held in a circle and included a ceremonial fire.

Cultural Vitality: In 2024, CreateTO, with the City and our development partners, broke ground on the new Etobicoke Civic Centre: a state-of-the-art civic hub including a community recreation centre, a public library, a non-profit childcare centre, community spaces and a new civic square for public programming and events. It is also the cornerstone of creating a complete community for the City-owned lands at Bloor-Kipling. CreateTO also proudly completed and opened Leslie Lookout Park, a new City park and public beach in the Port Lands that provides the public with dramatic views of the Toronto skyline.

3. Support Port Lands development: CreateTO is the majority landowner in the Port Lands, which is one of the largest and most valuable undeveloped pieces of real estate in North America. On behalf of the City, CreateTO is committed to making sure the people of Toronto get the most value out of this amazing part of the city. The agency manages more than 80 tenants that provide important supplies and services to the downtown core; is continuing to advance the long-term vision to create sustainable new communities in the Port within McCleary District and Ookwemin Minising; is supporting the ongoing flood protection work by Waterfront Toronto and supporting further development of the film industry in the area through projects like Basin Media Hub.

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SIGNATURE

Vic Gupta
Chief Executive Officer

ATTACHMENTS

Attachment 1: CreateTO 2024 Highlights Report

Attachment 2: KPMG LLP Audit Findings Report

Attachment 3: 2024 Draft Audited Financial Statements