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ITEM 3

To: Corporate Governance Committee
From: Mayor David Miller, Chair of the Corporate Governance Committee
Date: June 9, 2009
Subject: Real Estate Investment & Development Committee Terms of Reference

The City of Toronto's Shareholder Direction to Build Toronto Inc. ("Build Toronto" or "the Corporation") provides that the board of directors of Build Toronto (the "Board") shall establish a Corporate Governance Committee of the Board and such other committees of the Board as the Board determines are appropriate, and delegate to the committees such authority as the Board determines is appropriate, subject to the provisions of the *Business Corporations Act* (Ontario) and s. 4.8 of the City's Shareholder Direction to Build Toronto.

The Board established a Corporate Governance Committee and directed that the Corporate Governance Committee report back to the Board with a recommendation for other Board committees.

To assist the Board with its mandate, the Board requires a Real Estate Investment & Development Committee. To expedite this process, I recommend the Corporate Governance Committee recommend that the Board:

1. constitute the Real Estate Investment & Development Committee as a committee of the Board;
2. adopt the terms of reference for the Real Estate Investment & Development Committee attached;
3. appoint Paul Finkbeiner, Stuart Lazier, Jon Love, Councillor Kyle Rae, Brigitte Shim and Ken Silver as members of the Real Estate Investment & Development Committee for a one year term or until their successor is appointed; and
4. appoint Stuart Lazier as Chair of the Real Estate Investment & Development Committee for a one year term or until a successor is appointed.

For the information of the Committee, I am designating Blake Hutcheson to serve as my designate as ex-officio member of the Real Estate Investment & Development Committee.

Mayor David Miller
Chair of the Corporate Governance Committee

Attachment: Real Estate Investment & Development Committee Terms of Reference

**Build Toronto
Real Estate Investment & Development Committee
Terms of Reference**

Requirement:

The Shareholder Direction from the City of Toronto provides in s. 4.1 that the Board of Directors may establish such committees of the Board as the Board determines are appropriate, and delegate to the committees such authority as the Board determines is appropriate, provided that the delegation of that authority is permitted under the *Business Corporations Act* (Ontario) and complies with, and is subject to, the provisions in s. 4.8 of the Shareholder Direction.

The Shareholder Direction in s. 4.8 requires that the Board not delegate decision-making to any committee unless all members of the committee are current Board members and that the Board shall not delegate to a committee the power to commit Build Toronto resources unless the Board has stipulated in its by-laws monetary limits on the corporate resources that may be committed by the committee.

The *Business Corporations Act* (Ontario) permits the Board to establish any committees it requires to conduct the business and affairs of the Board.

Mandate:

The Real Estate Investment & Development Committee shall have the following authority and responsibilities:

- (a) Review with management the status and performance of land and buildings owned or managed by the Corporation and recommend to the Board asset development and management strategies.
- (b) Review with management and evaluate for recommendation to the Board the proposed terms of Sale, Transfer and Turnover Agreements by the City and its agencies, boards, commissions and corporations.
- (c) Review with management and evaluate for recommendation to the Board development projects to be undertaken either solely or with or by third parties, including the overall equity and debt financing requirements, the third parties to be engaged and significant terms of the agreements in connection with particular land development projects.
- (d) Review with management and evaluate for recommendation to the Board real estate transactions relevant to the objectives of the Corporation, including real estate purchases, leases and divestitures.
- (e) Monitor the implementation and execution of Board approved real estate transactions and development projects undertaken solely or with or by third parties.
- (f) Consult with the Audit & Risk Management Committee on assessment of financial, environmental and other risks associated with specific projects and ventures and strategies for eliminating or managing that risk.

- (g) Recommend to the Board policies and any changes or actions required for the management and protection of Build Toronto's assets and the assets of the City under its management, including policies on management of tenancies and policies on state of good repair for buildings and properties.

Committee Composition and Meetings:

The Board shall appoint the Chair of the Real Estate Investment & Development Committee and the members of the Committee. The Real Estate Investment & Development Committee shall be composed of no fewer than three members. All Committee members shall be current Board directors. The quorum for a meeting of the Committee shall be a majority of its members.

The Chair of the Board, or the Chair's designate, shall be an ex-officio member of the Committee and shall be eligible to vote when attending Committee meetings. When attending Committee meetings, the ex-officio member may be counted towards achieving quorum.

Committee meetings shall be open to the public and shall be conducted according to the provisions of s. 4.8 of the Shareholder Direction, as applicable.

The Committee shall meet as required. After each meeting, the Committee shall report its actions and recommendations to the Board. Unless otherwise determined by the Board, the Committee shall have the power to develop its own procedures and regulate its own proceedings.

The Committee may require management and employees of the Corporation to attend its meetings and provide advice to the Committee.