

*Build Toronto**www.buildtoronto.ca*

- Headquarters: Toronto
- Employees: 33
- Specialty: Public property redevelopment

*"Our approach is to develop in a way that will contribute to Toronto as a world-class City, and generate exponential value through responsible development."*

*—Lorne J. Braithwaite, president & CEO*

TORONTO

Build Toronto President and CEO Lorne J. Braithwaite characterizes the agency's approach as holistic.

# City Building Redefined

**BUILD TORONTO ACHIEVES ECONOMIC AND SOCIAL OBJECTIVES. BY BRIAN SALGADO**

**H**ow best to develop city-owned real estate assets while keeping costs in check is something the public and private sectors have always struggled to balance. The City of Toronto is taking a novel approach to the matter by partnering with Build Toronto, an independent real estate and development corporation, to generate profit and growth for the municipal government by maximizing the value of City surplus property.

Build Toronto was created to enhance the City of Toronto's economic competitiveness, so according to Build Toronto President and CEO Lorne J. Braithwaite, profitability is only one measure of success in managing its portfolio of city-owned properties. "Our approach is to develop in a way that achieves financial as well as city building results – we believe in the triple bottom line – economic, social and environmental," he says.

For Braithwaite, "city building" is Build Toronto's holistic approach to development while meeting the City's public policy objectives. "We aim to create a financial dividend for the City and serve as a catalyst for the development of infrastructure and sustainable services while creating jobs, regenerating neighborhoods and undertaking high-quality, environmentally sustainable developments," he says.

## How it Started

Two-and-a-half years ago, then-Toronto Mayor David Miller sat down with several private-sector players to generate a discussion around how to do a better job with City-owned real estate and development opportunities in Toronto. During these meetings, two major documents were developed.

"The Blueprint for Fiscal Stability and Economic Prosperity," Braithwaite describes, "identified the inventory of potential surplus real estate in Toronto that was not designated for future capital plans in any of the municipal government departments." The other, "A New Model to

Enhance Toronto's Competitiveness," recommended the transfer of City-owned land to a City-owned development corporation and detailed how Build Toronto would co-exist as an arms-length real estate division for the City.

"These documents not only defined what Build Toronto was to become, but also how we would more effectively utilize these properties through development or monetization," Braithwaite explains. "The next step was building a professional board of directors and a strong team to execute our mission."

Build Toronto's board of directors consists of 12 professionals from the public and private sector, with six representing the private real estate industry. The company's senior management team also combines the best of both sectors with recognized industry professionals and accomplished City executives that have municipal government experience.

With this "hybrid organization," as Braithwaite calls it, Build Toronto brings the best of both sectors to the forefront for the betterment of the City of Toronto.

"Development is a high reward business but there are risks," he adds. "This hybrid team understands the risk elements and how to

mitigate them through market timing and a whole list of other risk-related issues."

The knowledge inside Build Toronto creates the checks and balances that help avoid potential pitfalls that one side of the private/public line might otherwise overlook. "In public sectors, they don't take risks," Braithwaite says. "If we don't take risks, all these properties will do is grow weeds. This organization has a mandate to create value and do it in a responsible way."

## Transit Transformation

One such project on the horizon for Build Toronto is the new headquarters for the Toronto Transit Commission (TTC) at Yonge and York Mills in North York Toronto. Build Toronto is developing one of the TTC's parking lots at 4050 Yonge Street that will eventually house an office tower akin to the Manitoba Hydro building in Winnipeg, developed two years ago as the cutting-edge of sustainable design. The TTC currently functions in seven separate facilities throughout Toronto, so this project will consolidate operations into one headquarters.

The \$145 million project is expected to be delivered in spring 2014. It is aiming for LEED

Gold, and Braithwaite says a number of its consultants worked on the sustainable design for Manitoba Hydro.

"In the planned zoning – which we anticipate to have early next year – there's an opportunity for operating costs to decrease by 35 to 40 percent for the tenant," Braithwaite adds.

The decision to develop this piece of land for an office tower demonstrates the type of new vision Build Toronto brings, according to Braithwaite. Build Toronto looked at what was best for the City, explored the best use for the land, worked with the local community and did its due diligence, all to determine that this office building would bring growth and intensification to the area, including desired employment and business.

"We were able to develop a deal that was below market value for the TTC, in comparison to other new construction space in the City. We will create exponential long-term value for the City – essentially generating more than \$20 million from an existing parking lot. Developments of this nature are one of the very few opportunities still available to government to generate the revenues required to address systemic debt or fiscal budget shortfalls." ♦



Providing Comfort Solutions Since 1972



Cullum  
Constructors, Inc.  
P.O. Box 40368  
Charleston, SC  
29423  
(843) 554-6645  
(843) 747-9964 fax

MECHANICAL CONSTRUCTION SERVICES  
ENGINEERING • HVAC • PLUMBING • PROCESS PIPING  
www.culluminc.com

TURNER FLEISCHER



TURNER FLEISCHER ARCHITECTS INC.  
67 Lesmill Road, Toronto, ON M3B 2T8  
T: 416.425.2222 | www.turnerfleischer.com