

BUILD

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Letter from the Chair and President & CEO



Christopher Voutsinas
CHAIR



William (Bill) Bryck
PRESIDENT & CEO

2013 was a year of significant transition for BUILD TORONTO, and also one of great opportunity. With the appointment of Christopher Voutsinas as our new Chair, together with a new slate of independent Directors, and the subsequent appointment of Bill Bryck to the position of President & CEO, this was a necessary time for our team to reflect on our company's still very short four-year existence and to review its successes and challenges.

There are successes that we are proud of – achievements such as building a strong team of real estate professionals who have demonstrated an ability to make creative deals for the benefit of the City; the paid dividends of \$30 million; becoming the impetus to ensure surplus property is identified, improved upon and sold in a timely manner; and identifying a game plan to bring difficult sites to market that would otherwise be sitting in City inventory.

We also recognize the need for change – change in the form of building even stronger relationships with City staff and Councillors; in creating a new strategy for affordable home-ownership; in delivering more sites to market and out of the planning stage; and, perhaps most important of all, bringing greater focus and energy to our City-Building activities.

It is in the latter that we see our greatest opportunity to make a tangible difference to our City. While many City-Building outcomes are being planned for from BUILD TORONTO developments – many of which you will read about in the pages of this Annual Review – we want to better define what City-Building means to us, as well as measure project results and communicate these outcomes for Councillors and other stakeholders. Moving forward, our strategic direction includes ensuring that every BUILD TORONTO project has clearly defined City-Building elements, with defined targets programmed, and final results that are measured and communicated. In addition to our financial return, we believe it is through the success of our City-Building endeavours that BUILD TORONTO can consider our work a success for the City and its people.

Overview

Background

As a result of recommendations from various expert advisory committees, panels and reports, the City of Toronto determined it needed a new approach to manage City land assets. To create better value for and make Toronto more prosperous, the City established BUILD TORONTO as an arm's-length real estate corporation to fully leverage its surplus and underutilized real estate.

The company was incorporated in 2009, and in May 2010 was officially launched as the City's independent real estate and development corporation. BUILD TORONTO reports to a Board of Directors, made up of experienced leaders from both the private and public sector. The company has a unique focus on supporting the City of Toronto in identifying, improving and developing City property.

When fully developed, the construction of properties supporting our Strategic Priorities will generate approximately:

\$320M **\$59M** **\$3.3B**

in one-time development charge, permit and planning revenues

in combined annual taxes

in value added to the Toronto economy

Vision

Develop surplus and underused City land to attract commercial development, create desirable jobs and improve the livability of the City.

Mission

Be a catalyst for sustainable development, operate in a commercially viable manner and continually support City Council, City departments, the development community and the citizens of the City of Toronto.

Financial Return

BUILD TORONTO will generate a reasonable net financial return by unlocking the value of properties given to it by the City.

Our Approach to City-Building

BUILD TORONTO defines City-Building by the Strategic Priorities it is committed to for the City of Toronto.

BUILD TORONTO is focused on:

- Collaborating with City Councillors, city staff, community members and development stakeholders to develop projects that address both City-Building and financial goals
- Revitalizing neighbourhoods where people can afford to live, where the public space encourages interaction and where sustainable development can support Toronto's growing needs
- Improving and investing in historically contaminated sites that would otherwise remain underutilized through remediation
- Attracting key industries and accelerating investment in commercial development that helps boost growth and foster employment
- Developing sites around transit to encourage environmentally friendly means of transportation, create new connections and help the City sustain itself in the long term

Our Strategic Priorities

Engagement

Livable Neighbourhoods

Sustainability

Employment

Transit-Oriented Development

Our Strategic Priorities

Engagement



411 Victoria Park Ave.

BUILD TORONTO is engaged in an extensive consultative program with the local Councillors, communities and development stakeholders around a proposal for a 19.7-acre mixed-use development, regenerating a quarry dating back to the 1930s. Over the past 3 years, we have facilitated 9 consultation touch points with the community – in addition to the planning statutory community consultation requirements – engaging over 300 community members in the process.

In taking into consideration the community's desire to maintain the character of the local neighbourhood through low-rise development and a focus on green space, we have proposed a mixed-use development with low-rise residential, retail and a 4.5-acre park space.



MIXED-USE DEVELOPMENT CONCEPT PROPOSED AT 411 VICTORIA PARK AVE. THAT HAS TAKEN SHAPE THROUGH AN EXTENSIVE CONSULTATIVE PROGRAM.

City-Building cannot be achieved independently. By its very nature, it takes true collaboration and strong relationships. Early, transparent and inclusive communication with our Councillors, the communities they serve, city staff and all development stakeholders is what allows for this collaboration to take place. We hope to build engaged participation and strong relationships to balance interests and create understanding and trust.

4650/4625 Eglinton Ave. W.

We are working with the local Councillor and our development stakeholders to consider this stretch of properties along Eglinton Ave. in a comprehensive manner. This work included early and collaborative conversations with the Councillor to ensure that we incorporate a strong public realm and complementary uses for the neighbourhood. Ahead of any pre-application meetings and development application submissions, we are meeting with city staff to understand their vision for an appropriate mix of uses and densities in this neighbourhood.

Affordable Housing

We are currently working with the City of Toronto Affordable Housing Office, city staff and Councillors to determine a provision for BUILD TORONTO's affordable housing strategy portfolio-wide.

Engagement

Since 2010, BUILD TORONTO has been actively collaborating with various stakeholders. To date, there have been approximately:

20

Community associations reached to collaborate on local development projects

Active discussions with our stakeholders:

City of Toronto
Consultants
Community Members
City Staff
Development Partners
Public Agencies
Neighbouring Property Owners
City Councillors
End Users

“One of the most important things we can do to ensure the success of a development project is to work collaboratively with the groups and individuals these developments touch.”

Bill Bryck, President & CEO, BUILD TORONTO

I,290

Community members engaged with in person

COMMUNITY PARK WORKSHOP, HOSTED IN PARTNERSHIP WITH EVERGREEN, TO PLAN FOR THE PARK SPACE AT 411 VICTORIA PARK AVE.

Our Strategic Priorities

Livable Neighbourhoods

Healthy neighbourhoods allow people to live, work and play, while establishing a sense of community. With the right investment, we hope to revitalize neighbourhoods where people can afford to live, where the public space encourages interaction and where sustainable development can support the growing needs of our City. Through strong development, we want to be a catalyst for further development, growth and diversity.



Ordnance Triangle Lands

The Ordnance Triangle was underutilized land next to one of Toronto's most rapidly growing neighbourhoods, Liberty Village. Bounded by two lines of railway tracks, the 7.5 acres consisted of both privately held and City-owned parcels.

Recognizing the importance of a comprehensive vision for this emerging community, BUILD TORONTO worked with Diamond Corp. on a holistic approach to developing the entire quadrant. This partnership allowed for a master plan that optimizes the location and configuration of buildings and roads to achieve the best mixed-use proposal, including retail, residential and park space, to create an ideal pedestrian experience.

BUILD TORONTO is working on behalf of the City of Toronto to manage the development and construction of a key piece of infrastructure in this neighbourhood with the delivery of the Fort York Pedestrian and Cycle Bridge. The bridge will link this area to the City's major north and south pedestrian systems, and connect it to the waterfront trails.



MIXED-USE PROPOSAL, INCLUDING RETAIL AND RESIDENTIAL SPACE, OFFERING NEW CONNECTIVITY FOR THE THE NEIGHBOURHOOD.

28 Bathurst Street

As part of a new retail and residential block, we are integrating a new public street that will not only alleviate traffic and create a new connection for the neighbourhood, it will also provide proper addresses to the adjacent daycare and men's shelter, as well as a new proposed development. We are also integrating plans for a new City park that will offer unobstructed views to the historic Fort York.

505 Richmond Street W.

We are repurposing the site of the historic St. Andrew's Market that opened in 1837 into a mixed-use development, bringing it back for public enjoyment. As part of this development proposal, we will be working on a master concept plan for St. Andrew's Park to engage the local community and ultimately provide recommendations on how to best organize, program and improve connectivity within this space. We also continue to work closely with Eva's Phoenix, a not-for-profit organization that provides training and housing for youth, to re-accommodate them into a new purpose-built facility as part of the site.

Livable Neighbourhoods

BUILD TORONTO estimates that the development of properties supporting our Strategic Priorities will result in approximately:

290

Units targeted for senior's residences

15,800

Residential units

4

Kilometres of new public streets

2

Kilometres of shared bike lanes

1,160

Affordable housing units

108

Acres of new mixed-use communities

16

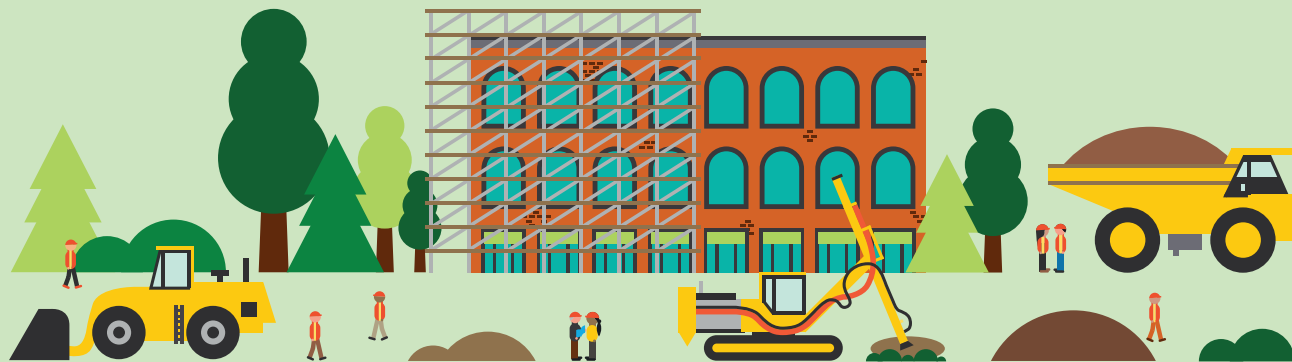
Acres of new and programmed park and open space

“Working collaboratively with BUILD TORONTO and its surplus City sites to create opportunities for residents at different income levels is a positive partnership in supporting long-term housing strategies for our City.”

Sean Gadon, Director, City of Toronto Affordable Housing Office

Our Strategic Priorities

Sustainability



28 Bathurst Street

A former coal gas storage facility later used for a lead smelting operation, the site at 28 Bathurst will be remediated and transformed to welcome new residences, retail and a new public road and park space.

Environmental remediation of the site is required as the historical activities have resulted in contamination of the area's soil and groundwater, down to the bedrock. To date,

we have received a Federation of Canadian Municipalities (FCM) Grant towards the environmental work. We have also applied for an \$11 million loan to enable us to begin our clean up and start working towards regenerating the site back into the vibrant fabric of the community.



THE SITE AT 28 BATHURST IN 1916, USED FOR COAL GAS STORAGE BY CONSUMERS GAS CO. OF TORONTO.

While Toronto's rich heritage is reflected in its enduring buildings, these buildings can often bear the harmful effects of their historical uses. Proper remediation strategies help address the damage of past uses, and bring back to life sites that would otherwise sit untouched. As developers, we finance the cleanup through our development work and reintegrate sites back into the social fabric of their local communities.

505 Richmond Street W.

We are proposing an adaptive reuse of a heritage building that was constructed in 1932 by the City of Toronto as a water works building, as part of the City's program to offset Depression Era unemployment. The proposed development will serve as a model for infill development of an inner-city site, and for intensification of an existing property for a higher use.



THE PUBLIC WATER WORKS BUILDING IN 1936

Sustainability

BUILD TORONTO's remediation plans anticipate resolving approximately:

4

Adaptive reuse projects

\$37M

Worth of environmental cleanup

76

Acres of brownfield sites

185

Years of sites sitting vacant due to contamination

BUILD TORONTO'S OFFICE DEMONSTRATION GREEN ROOF, AN INITIATIVE TO SUPPORT SUSTAINABLE BUILDING PRACTICES.

Our Strategic Priorities

Employment



Attracting key industries and accelerating investment in commercial development helps to boost growth and foster employment. By incorporating office, retail and industrial spaces, creating commercial nodes, we hope to accommodate and create new jobs.



1035 Sheppard Avenue W.

Situated adjacent to the Downsview subway station, this parcel of land represents the largest property in BUILD TORONTO's portfolio and our largest potential to deliver employment. The property includes 1.5 million sq. ft. of space identified for dedicated employment uses, including office and retail. Given the property's location next to a transit hub – with direct access to the subway station and future Metrolinx rail station – our aim is to create an office node that supports the City's District Plan for the area, which calls for mixed use.

505 Richmond Street W.

Through a mixed-use development proposal at 505 Richmond St. W., we are incorporating commercial space targeting the creative class, further expanding on the area's distinction as a creative hub. We are looking to target a client that can pay homage to the historical open market uses in this building. Plans for the development also include an event space and an open space.

Employment

When fully developed,
the construction of properties
supporting our Strategic Priorities
will generate approximately:

\$1.9B

In labour income

3.6M

Sq. ft. of
commercial space

“We view development as a catalyst
for positive change, with an important
role in building strong, vibrant and
connected communities.”

Christopher Voutsinas, Chair, BUILD TORONTO

31,700

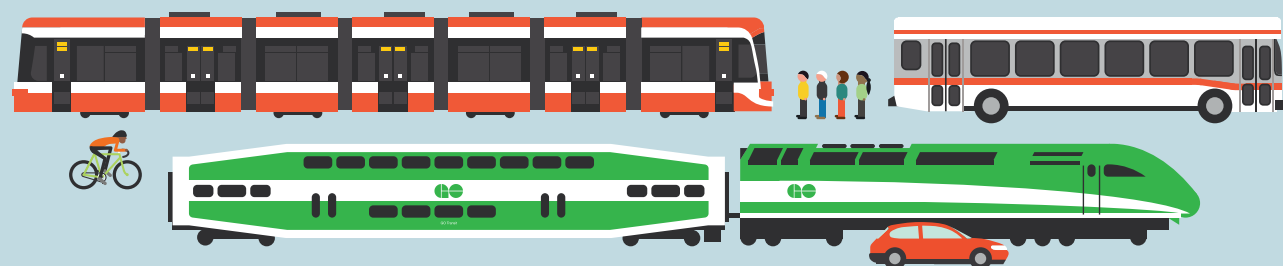
Person years of
employment in Toronto

14,650

Employees accommodated
(81% of which are office employees)

Our Strategic Priorities

Transit-Oriented Development



Westwood Theatre Lands

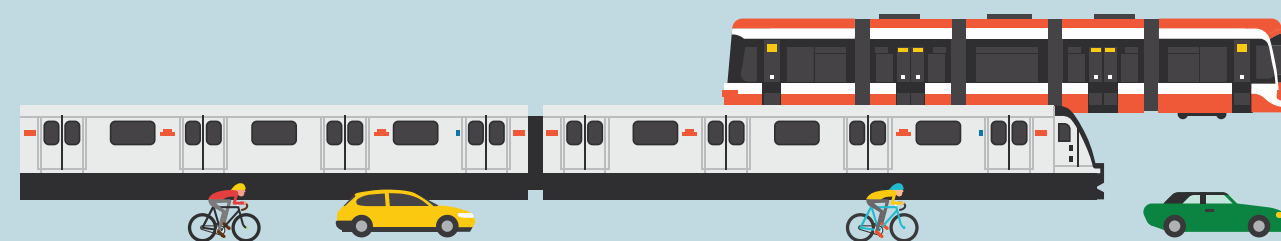
As the City of Toronto engages in the road reconfiguration around Kipling Station, BUILD TORONTO has been involved in providing recommendations on access, servicing and connectivity to ensure that future development is supported. This work includes exploring the potential for incorporating residential, retail

and institutional uses into the development. For example, discussions are underway with the YMCA of Greater Toronto, which has identified the Westwood site as a prime location for a YMCA Centre of Community. With easy access to the subway system, the aim would be for the YMCA facility to be used by people in many neighbourhoods.



RECONFIGURATION OF THE 6-POINTS INTERCHANGE AT THE WESTWOOD THEATRE LANDS IN PREPARATION FOR DEVELOPMENT.

Transit is a vital thread that weaves the fabric of the city together. Maximizing access to transit and encouraging various modes of transportation is part of our principles for responsible planning. By developing sites around transit, we are able to encourage environmentally friendly means of transportation, create new connections and help the City sustain itself in the long term.



1035 Sheppard Avenue W.

Immediately adjacent to Downsview Subway Station, this 57-acre development will optimize the use of the transit node and offer walking distance to higher order transit.

10 York Street

On a site with across-the-street access to the PATH, the City's 30-km underground pathway, and walking distance to Union Station, BUILD TORONTO has entered into a joint venture partnership with Tridel to develop a 65-storey residential building downtown, utilizing a 0.63-acre site that used to be a parking and impound lot.

Transit-Oriented Development

With a focus on transit connectivity, BUILD TORONTO is planning development for approximately:

10

Sites with direct access to a transit station

5

Development sites on the future Eglinton Crosstown Line

172

Acres around higher order transit

“Attracting new residents and new business around transit helps us to ensure we are mitigating the social and economic impacts of congestion in our City.”

Andy Byford, Chief Executive Officer, Toronto Transit Commission

Board of Directors

BUILD TORONTO places immense value on the principles of transparency and good governance. Our Board of Directors is composed of skilled public and private sector partners who provide experienced real estate oversight and support for our City-Building endeavours.



Christopher Voutsinas
CHAIR



Councillor Doug Ford
VICE CHAIR



Michael Bernstein
DIRECTOR



Frank Bucys
DIRECTOR



Nancy Cohen
DIRECTOR



Wayne Fraser
DIRECTOR



Chris Hardwicke
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Lynn Kennedy
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