

HEALTH WEALTH CAREER

EXECUTIVE COMPENSATION REVIEW

BUILD TORONTO INC.

29 April 2016

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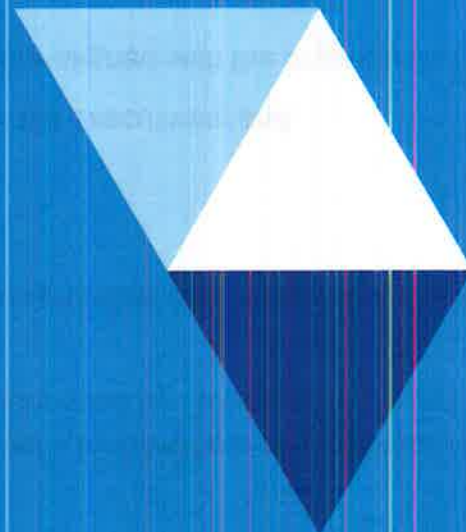
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INTRODUCTION

- Build Toronto (“Build”) has engaged Mercer (Canada) Limited (“Mercer”) to develop a comprehensive senior executive compensation policy that incorporates the compensation principles identified by Toronto City Council for the management of executive compensation. This includes the:
 - Interview of key stakeholders at Build to understand organization priorities and comparator markets for executive talent;
 - Development of a compensation philosophy for Build;
 - Review of market compensation for Build executives;
 - Recommendation of market aligned compensation ranges for Build executives; and,
 - The review of short-term incentive plan metrics to ensure they are aligned with the organization’s mission and shareholder’s interests.
- This report summarizes:
 - Key stakeholder interview findings related to the compensation review;
 - Compensation philosophy and comparator organizations for Build executives;
 - The results of Mercer’s review of the competitiveness of the following Build senior executives’ compensation relative to the proposed compensation comparator groups:
 - President & CEO, SVP – CFO, SVP – Development & Investment and SVP – Legal & Administration
 - Recommendations for any changes necessary in order to align target compensation with the market median (50th percentile or P50) of the **public sector** comparator group and maintain an element of pay-for-performance and risk in the compensation plan, per the City of Toronto directives
- Detailed market data and position matches between Build and the market have been provided in Appendix A and B respectively.
- Results of Mercer’s review of short-term incentive plan metrics at Build have been provided under separate cover.
- This report is intended to generate a discussion amongst the Board to exchange views on the appropriate executive compensation levels. Based on feedback from the Board, we will refine this report as required.

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

- The compensation philosophy and comparator group has been derived from input received from the Board during interviews in Q1 2016, as well as the City of Toronto executive compensation guidelines for agencies and corporations of the City.
 - Stakeholder interviews found that executive talent for Build Toronto may be recruited from the public or private sector, but extensive prior experience within the private sector is required in order to ensure executives have a significant depth of real estate development expertise.
- To determine the market competitive compensation rates for Build executives, Mercer reviewed compensation data from public sector organizations which have a real estate development component and/or are of a similar size. As a reference, Mercer also reviewed compensation data from private sector real estate industry organizations and broader public and private sector organizations of a similar size.

Chief Executive Officer Market Findings

- Public Sector: Total cash compensation is positioned between the 50th and 75th percentile of public sector real estate organizations and is aligned with the 50th percentile of the market among similarly sized public sector comparator organizations.
- Private Sector: Base salary and total cash compensation are generally positioned between the 25th and 50th percentiles of the market relative to smaller private sector organizations and the real estate management sector.

Other Executive Market Findings

- Public Sector: Total cash compensation is generally positioned between the 50th and 75th percentile of the public sector real estate organizations and above the 75th percentile of similarly sized public sector comparator organizations.
- Private Sector: Base salary and total cash compensation are generally aligned with the 50th percentile of the market relative to smaller private sector and real estate management organizations with the exception of the SVP, Legal, who is positioned between the 25th and 50th percentiles.

EXECUTIVE SUMMARY

New Positioning Within Recommended Ranges:

- Mercer has developed proposed base salary ranges for the executive roles at Build that would with the City's directives regarding executive compensation based on comparisons to the 50th percentile of public sector comparators.
- Current base salary of the CEO is positioned near the midpoint of the proposed range that is aligned with the public sector. This provides an opportunity for future increases based on performance to move towards the maximum of the range.
- Current base salaries and total cash compensation for all SVP's exceed the maximum of the range that is aligned with the public sector.
 - However, there are few public sector organizations that focus on real estate development and disposition. Real estate development focused skill sets and experience are highly valued in the broader competitive market and are critical to the Build mandate. We have provided an alternative range for the Board's consideration that recognizes this gap through a 20% premium on the SVP total cash compensation ranges and is consistent with the stakeholder interview findings that the extensive private sector experience is required.
 - Current base salaries for all SVP's are within this premium salary range alternative.

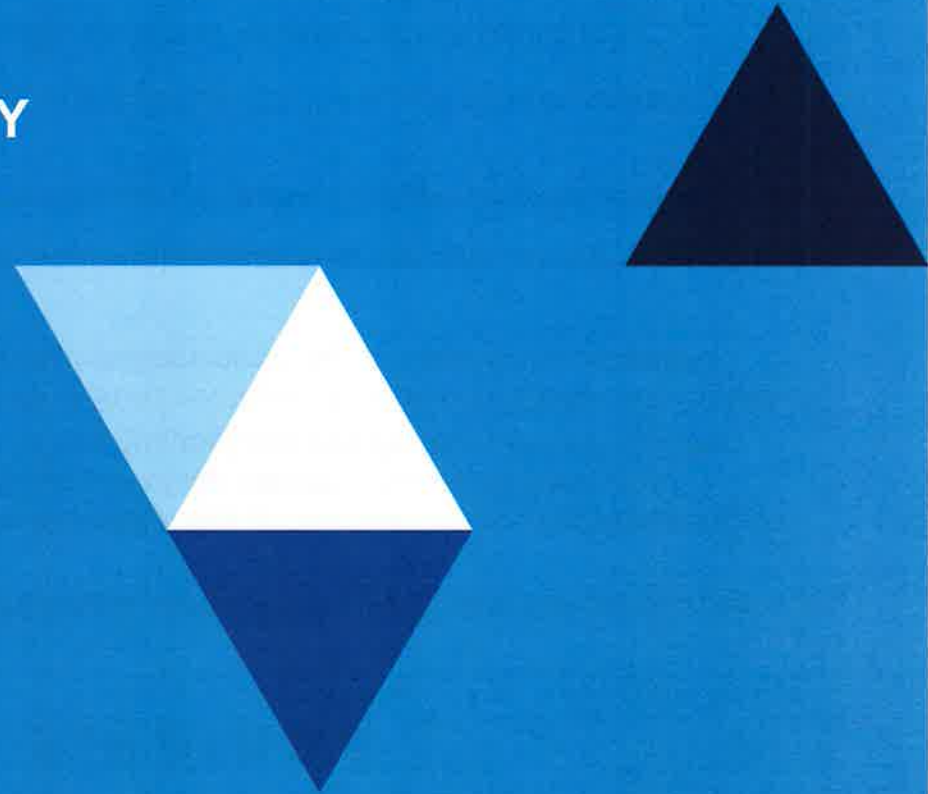
Impact of Recommendations on Build

- Given the resulting market competitive total cash target, Build executives, with the exception of the CEO, would be positioned above the maximum of the proposed salary range. Implementing such a change to current executive compensation programs could potentially result in legal action. The alternative range structure acknowledges key skill sets/experience that are not typically found in the public sector and may also help obviate potential constructive dismissal.

Next Steps

- Review of findings and market aligned structure with Build
- Finalize comparator group for Build executives based on feedback from Build Board
- Finalize report based on confirmed comparator group

COMPENSATION PHILOSOPHY



COMPENSATION PHILOSOPHY

STAKEHOLDER INTERVIEW FINDINGS

Organizational Mandate

- The organization's primary mandate is to deliver consistent and high financial returns to the City through the development and disposition of surplus City property.
 - Although executives can influence the size of returns, the results are dependent on the quality of properties transferred from the City for development and the restrictions put on the land as part of the transfer. This will become more challenging in the future as the City of Toronto's "low-hanging fruit" has already been transferred to Build's portfolio.
 - Consistent returns are challenging, given the project-based nature of Build's portfolio. A larger portfolio or future changes to the organization's role (e.g. the introduction of real estate leasing / management) may produce more consistent financial returns.
- The Auditor General identified Build has had challenges achieving non-financial aspects of its mandate related to City building
- Consistent with the Auditor General's report, there are opportunities to increase the quality of information and communications between management and the Board regarding Build's operations
- Some stakeholders believe the financial returns to date have not been sufficient to justify the size of Build's operations.
- Build has recently had success in establishing working relationships with the City of Toronto staff and Councilors.
- Future success for Build will likely involve:
 - Increasing the returns earned on assets transferred to the organization.
 - Integrating city building elements (such as affordable housing, the constructive use of public space, etc.) into projects.
 - Maintaining relationships with City of Toronto staff and Councilors.
 - Establishing relationships with City Agencies, Boards, Corporations and Commissions in order to partner with them in the development and disposition of surplus properties.

COMPENSATION PHILOSOPHY

STAKEHOLDER INTERVIEW FINDINGS

Executive Talent Requirements and Market

- Given the development focused nature of the organization, and the direct involvement of executives in deal making, executive talent at Build must have a good understanding of the real estate development market.
 - In addition, given the multi-stakeholder environment that Build must navigate, executives must have general management and project management expertise, and be able to effectively manage relationships with government officials.
- Finding public sector executive talent with real estate development experience can be difficult, as there are few public sector organizations that focus on real estate development outside of similar development organizations that may exist in other major municipalities in North America.
 - If recruiting within the GTA, will generally need to recruit executives from the private sector.
- Executive talent should be cognizant of the challenges of public perception, but able to lead a quasi public / private entity.
- There are typically two types of individuals in the private sector that may be interested in assuming an executive role at Build:
 - Senior development executives nearing the end of their careers that are seeking a new challenge and opportunity to use their skills to contribute to the public good.
 - Mid-level management in the development space looking for an opportunity to take on a high-profile leadership role as a stepping stone to future opportunities in the private sector.

In summary, executive talent for Build Toronto may be recruited from the public or private sector, but extensive prior experience within the private sector is required in order to ensure executives have a significant depth of real estate development expertise.

COMPENSATION PHILOSOPHY OVERVIEW

- A compensation philosophy articulates the goals of the compensation programs and the role each element plays in the attraction, retention, recognition and development of employees. Also, the compensation philosophy must support the human resources and broader organizational strategy in order to be effective.
- A typical philosophy encompasses:
 1. Objectives and principles.
 2. Comparator groups.
 3. Target pay positioning.
 4. Compensation components
 5. Performance orientation.

In this report

To be considered during review of:

- Performance metrics under STIP

The compensation philosophy and comparator groups will serve as the basis for the 2016 executive compensation review for Build.

COMPENSATION PHILOSOPHY

OBJECTIVES AND PRINCIPLES

- A compensation philosophy is fundamental for developing an effective compensation strategy.
- The following objectives and principles should underlie Build's executive compensation programs:
 - **Support organization strategy** – support the achievement of the organization's short-term and long-term corporate objectives, and be consistent with Build's vision, mission and core values.
 - **Market competitive** – facilitate attraction of new talent and foster retention of existing employees by offering compensation that is competitive in the market place relative to Build's direct competitors for talent (pay targeted at the median of the market).
 - **Performance focus** – reflect the organization's mandate and meet the expectation of stakeholders by delivering a portion of the total cash compensation in variable pay which is tied to organization and individual performance (short-term incentive programs are driven by performance).
 - **Stakeholder alignment** – focus on specific performance measures that align employees' performance with stakeholders' objectives (strategy and goals should reflect the desire to provide financial returns and create value).
 - **Simple to understand** – design and manage compensation programs that can be easily communicated and understood by employees and stakeholders (line of sight, balanced scorecard, formal weightings and plan metrics).

The above objectives and principles are consistent with our understanding of Build Toronto's executive compensation programs and priorities, and can be leveraged for Build's executive compensation program.

COMPENSATION PHILOSOPHY

COMPARATOR GROUP OVERVIEW

- **Build's** executive compensation should ideally be benchmarked against public sector real estate organizations that are similar to Build in scope, complexity, and size, and that compete with Build for executive talent.
 - There tends to be a correlation between organization size and complexity with executive pay levels
 - Due to the uniqueness of Build's ownership and operational structure, there are challenges in defining the most appropriate basis for determining comparability when selecting peer organizations.
 - There may be limited to no compensation disclosure for some comparable organizations.
 - Many public sector organizations with a real estate element are focused on the management of real estate assets rather than the development and disposition of assets
 - Since there are few direct comparator organizations to Build, the executive talent market may encompass both public and private sector organizations, real estate and general industry organizations. To reflect the complexity of Build's comparators, we would recommend using multiple views of the market when benchmarking executive compensation. These multiple views would typically include other:
 1. Public sector organizations with a real estate focus
 2. Similarly sized public sector organizations,
- For reference:
1. Real estate organizations, and
 2. Private sector organizations (for reference purposes only).

COMPENSATION PHILOSOPHY

COMPARATOR GROUP CONSIDERATIONS

- In developing compensation comparator groups, Mercer also considers the following criteria to ensure there is a reasonable and fact-based approach to developing the most appropriate comparator group that will support benchmark compensation decision-making for Build
 1. **Geography: Build's business is conducted within the GTA.**
 2. **Industry: Public sector and not-for-profit sector organizations represent comparable organizations vis-à-vis complexity, scope, and design of executive compensation to Build.**
 - However, there is always a need for recruitment of real estate professionals with extensive experience from the private sector. The political environment in which Build operate adds additional stakeholder complexity relative to many private sector organizations; however, Build has less enterprise risk than the private sector as real estate assets are provided to Build rather than purchased.
 3. **Complexity (Relative Size): There tends to be a correlation between company size and executive pay levels. Complexity can also be increased by enterprise risk. Appropriate comparators would typically one-half (1/2) to two (2) times the size of Build (in terms of operating budget).**
 - Increased risk is typically correlated with increased pay levels. The relative differences in risk between public sector organizations (that rely on public funding, backing or assets) may make direct comparisons between pay levels in the public and private sector inappropriate.
 4. **Disclosed Data: Many state-owned or privately-owned organizations do not disclose compensation information.**

COMPENSATION PHILOSOPHY

BENCHMARKING APPROACH

- The following selection criteria may be used by Build to develop compensation comparator groups:

Criteria	Recommended Philosophy for Build Toronto
1. Geography	Organizations headquartered in Ontario, ideally with the majority of its operations in the Greater Toronto Area
2. Industry	<ol style="list-style-type: none"> Public sector organizations, with preference given to organizations with real estate development <ul style="list-style-type: none"> We would recommended this be the primary comparator group. For additional reference and multiple views of the market, we would also recommended reviewing: Real estate industry organizations (as reference) Broader public and private sector organizations of a similar size (as reference)
3. Complexity (Relative Size)	Financial metrics to be used include operating budget and assets. Due to Build Toronto's ownership structure and operating models, there is no single financial metric that can accurately reflect Build's complexity
4. Disclosed Data	Organization must have publicly available compensation information to be selected as a peer organization

- The following page lists potential public sector comparator organizations. Survey market data will be used for the real estate and broader market comparator groups, for reference purposes only.

COMPENSATION PHILOSOPHY

COMPARATOR GROUP

- The table below details the public sector organizations that comprise Build Toronto's comparator group:

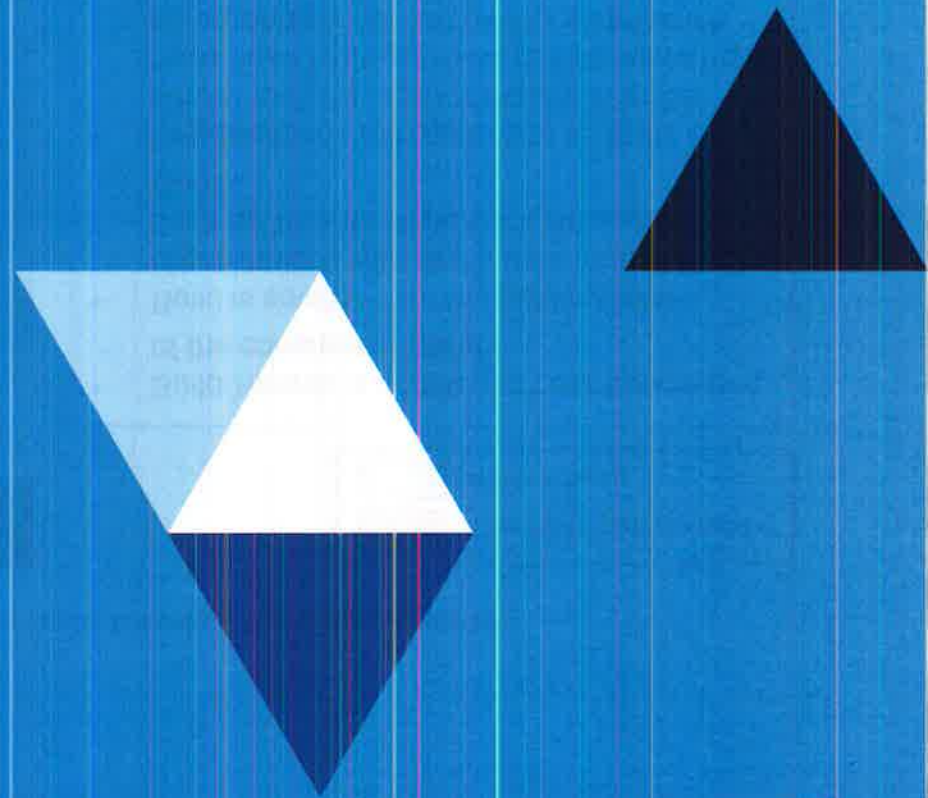
Organization Name	Annual Revenue / Operating Budget ¹
Toronto Community Housing Corp.	\$678
Infrastructure Ontario	\$208
Toronto Waterfront Revitalization Corp.	\$100
Royal Ontario Museum	\$67
Metro Toronto Convention Centre	\$55
Ontario Energy Board	\$38
Alcohol & Gaming Commission of Ontario	\$28
Ontario Pension Board	\$24
Ontario Financing Authority	\$23
Toronto Port Lands Company	\$17
75th %ile	\$92
50th %ile	\$46
25th %ile	\$25
Average	\$124
Build Toronto	\$36
Percentile Ranking	43%

	Have Real Estate Operations
	Within 1/2 to 2x

- Build Toronto is positioned near the median of the comparator group
- Build is smaller than the public sector organizations with real estate operations, such as Toronto Waterfront Revitalization Corp.
- Organizations with operating budgets similar to Build (approximately ½ to 2x) have been highlighted as comparators from an organizational complexity perspective
- Results for both real estate focused organizations and the “size-based” comparator group are provided in this report
- See Appendix D for a rationale for the inclusion of each comparator

(1) Most recently reported in 000 000's.

SUMMARY OF FINDINGS



SUMMARY OF FINDINGS

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Above Market (+10%)
Below Market (-10%)
 Grey highlights the primary perspective

- Build's President and Chief Executive Officer currently receives a:
 - \$314k base salary and a target incentive of 25% of base salary
- The table below details positioning relative to the various markets Build may recruit talent from:

Market	Data Source	Base Salary					Target Short-Term Incentives ("STI")				Total Cash Compensation (Base Salary + STI)				
		BT	P25	P50	P75	% of P50	BT	P25	P50	P75	BT	P25	P50	P75	% of P50
Public Sector	Comparator Group - Real Estate	\$314	Not Disclosed			-	25%	Not Disclosed			\$392	-	\$336	-	117%
	Comparator Group - Orgs 1/2 - 2X					-						\$280	\$411	\$568	95%
	Comparator Group - All					-						\$311	\$404	\$526	97%
Private Sector															

- Public Sector: Total cash compensation is positioned between the 50th and 75th percentile of public sector real estate organizations within the comparator group, and is aligned with the 50th percentile of the market among similarly sized public sector comparator organizations
- Private Sector: Base salary and total cash compensation are generally positioned between the 25th and 50th percentiles of the market relative to smaller private sector and real estate management organizations
 - Positioning that is aligned with or above the 25th percentile may be appropriate given Build's need to recruit from the private sector

SUMMARY OF FINDINGS

SVP, CHIEF FINANCIAL OFFICER

Above Market (+10%)
Below Market (-10%)

 Grey highlights the primary perspective

- Build's Senior Vice President and Chief Financial Officer currently receives a:
 - \$266k base salary and a target incentive of 25% of base salary
- The table below details positioning relative to the various markets Build may recruit talent from:

Market	Data Source	Base Salary					Target Short-Term Incentives ("STI")				Total Cash Compensation (Base Salary + STI)				
		BT	P25	P50	P75	% of P50	BT	P25	P50	P75	BT	P25	P50	P75	% of P50
Public Sector	Comparator Group - Real Estate	\$266	Not Disclosed			-	25%	Not Disclosed			\$332	-	\$247	-	134%
	Comparator Group - Orgs 1/2 - 2X					-						\$173	\$251	\$296	132%
	Comparator Group - All					-						\$222	\$250	\$267	157%
Private Sector															

- Public Sector: Total cash compensation is positioned above the 75th percentile of public sector organizations, either within real estate or similarly sized public sector comparator organizations
- Private Sector: Base salaries and total cash compensation are generally positioned competitive with (+/- 10%) the 50th percentile of the market relative to smaller private sector and real estate management organizations
 - Positioning aligned with the 50th percentile of the public sector would position compensation below the 25th percentile of the private sector

SUMMARY OF FINDINGS

SVP, DEVELOPMENT AND INVESTMENTS

Above Market (+10%)
Below Market (-10%)
 Grey highlights the primary perspective

- Build's Senior Vice President, Development currently receives a:
 - \$251k base salary and a target incentive of 25% of base salary
- The table below details positioning relative to the various markets Build may recruit talent from:

Market	Data Source	Base Salary					Target Short-Term Incentives ("STI")				Total Cash Compensation (Base Salary + STI)				
		BT	P25	P50	P75	% of P50	BT	P25	P50	P75	BT	P25	P50	P75	% of P50
Public Sector	Comparator Group - Real Estate	\$251	Not Disclosed			-	25%	Not Disclosed			\$314	\$234	\$248	\$419	134%
	Comparator Group - Orgs 1/2 - 2X					-						\$244	\$251	\$296	132%
	Comparator Group - All					-						\$239	\$250	\$302	133%
Private Sector															

- Public Sector: Total cash compensation is positioned between the 50th and 75th percentile of real estate organizations within the comparator group, and is aligned with the 75th percentile of the market among similarly sized public sector comparator organizations
- Private Sector: Total cash compensation is positioned between the 50th and 75th percentiles of the market relative to private sector real estate organizations
 - Positioning competitive with the 50th percentile of public sector comparators would position compensation at the 25th percentile of the private sector

SUMMARY OF FINDINGS

SVP, LEGAL AND ADMINISTRATION

Above Market (+10%)
Below Market (-10%)

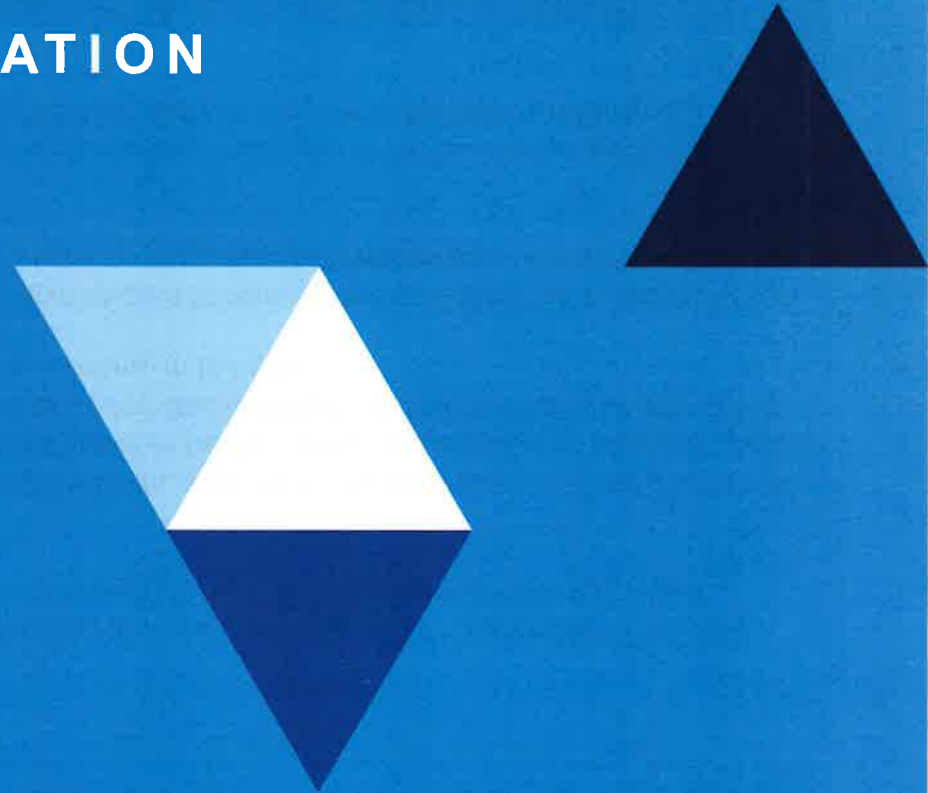
Grey highlights the primary perspective

- Build's Senior Vice President, Legal and Administration currently receives a:
 - \$230k base salary and a target incentive of 25% of base salary
- The table below details positioning relative to the various markets Build may recruit talent from:

Market	Data Source	Base Salary					Target Short-Term Incentives ("STI")				Total Cash Compensation (Base Salary + STI)				
		BT	P25	P50	P75	% of P50	BT	P25	P50	P75	BT	P25	P50	P75	% of P50
Public Sector	Comparator Group - Real Estate	\$230	N/D			-	25%	N/D			\$288	-	\$226	-	127%
	Comparator Group - Orgs 1/2 - 2X					-						\$216	\$247	\$316	116%
	Comparator Group - All					-						\$210	\$244	\$316	118%
Private Sector															

- Public Sector: Total cash compensation is positioned between the 50th and 75th percentile of real estate organizations and similarly sized public sector comparator organizations
- Private Sector: Base salaries and total cash compensation are generally positioned between the 25th and 50th percentiles of the market relative to smaller private sector and real estate management organizations
 - Positioning competitive with the 50th percentile of public sector comparators would position compensation at the 25th percentile of the private sector

MARKET ALIGNED COMPENSATION RANGE



MARKET ALIGNED COMPENSATION RANGE

TARGET PAY POSITIONING

- Targeting base salary and total cash compensation (base salary + short-term incentives) at the 50th percentile (“P50” or “median”) of the competitive public sector market allows the flexibility to reward incumbents above or below the target positioning based on individual and corporate performance.
 - Target pay positioning should be tied to the expectations of executive roles, and not to the incumbents; if the incumbent possesses significant experience and expertise, and demonstrates superior performance and significant potential, Build may wish to deviate from the target positioning and provide compensation that is within the salary range but above the 50th percentile (or below the 50th percentile, if the incumbent is developing in the role).
 - The Board and management have responsibility for setting incentive targets to ensure appropriate links to performance, recognizing the City of Toronto's requirements that variable pay *plus* merit based opportunities do not exceed 25% of salary.
 - Positioning around (above or below) the 50th percentile based on incumbent potential and demonstrated performance is consistent with the emerging practice of incorporating more judgment into pay-setting versus a heavy reliance on benchmarking results.

Mercer suggests Build continue to target total compensation (base salary *plus* STIP) near the 50th percentile of the public sector market, and that Build review the bottom quartile of the real estate market, which would include private sector organizations, as a reference.

MARKET ALIGNED COMPENSATION RANGE APPROACH

- This section outlines Mercer's proposed pay ranges for executives based on the market median of the Comparator Group. The range aligns with the City's guiding principles in developing executive compensation policies, but do not reflect a recommendation by Mercer on the appropriateness of those policies.
 - The midpoint of the salary range is designed to provide competitive compensation for fully competent incumbents that consistently meet their annual performance objectives on a total cash compensation basis (base salary *plus* variable compensation) relative to the comparator group
 - The maximum of the range is designed to enable a consistently high performing incumbent to earn a salary above their peers and earn compensation beyond the market 50th percentile where warranted by performance
 - The difference between the minimum, midpoint and maximum of the salary range is reflective of the City's guidelines
- Key stakeholders reflected a desire for continued pay-for-performance opportunities for executives. In order to not exceed the City's 25% maximum variable pay guideline, current target award for executives have been used as target / maximums in order to position compensation competitive with total cash compensation
 - Base salary ranges reflect desired total cash compensation minus the target incentive (25%)

MARKET ALIGNED COMPENSATION RANGE

50TH PERCENTILE MARKET ALIGNED

- The tables below outline pay ranges for executives based on the comparator market 50th percentile.

Chief Executive Officer

	Base Salary			Target Bonus	Target Total Cash
Current			\$314K	25% of base	\$392K
Market Aligned Structure (All Comparators)	Min (85% of Mid)	Midpoint	Max (115% of Mid)	25% (maximum limit to align with the City directive)	Midpoint Target \$404K
	\$274.7K	\$323.2K	\$371.7K		

- Current base salary of the CEO is positioned near the midpoint of the market aligned range. Opportunity for future increases based on performance to move towards maximum of the range
- Base salary range allows Build to pay executive salaries between the 25th and 50th percentile of the private sector.

SVP and Chief Financial Officer, SVP, Development, and Investments, SVP Legal and Administration

	Position	Base Salary			Target Bonus	Target Total Cash
Current	CFO			\$266K		\$332K
	SVP, Dev. & Inv.			\$251K	25% of base	\$314K
	SVP, Legal & Admin.			\$230K		\$288K
Market Aligned Structure (All Comparators)		Min (85% of Mid)	Midpoint	Max (115% of Mid)	25% (No market need to decrease target bonus)	Midpoint Target \$250K (Blend of 50 th Percentile Results)
		\$170K	\$200K	\$230K		

- Current base salaries for all executives exceed the comparator group aligned range maximum.
- Base salary range allows Build to pay executive salaries between the 25th and 50th percentile of the private sector.

MARKET ALIGNED COMPENSATION RANGE DEVELOPMENT PREMIUM

- For the Board's consideration, the table below outlines an alternative in determining market competitive compensation ranges for Build executives other than the CEO in order to reflect a market premium for real estate development skill sets relative to public sector comparators
 - This alternative applies a premium of 20% to the target total cash relative to the market median of similarly sized comparators within the Comparator Group
 - The premium recognizes that public sector organizations typically do not have real estate development or disposition components in their mandate. Development and disposition expertise are highly valued in the broader competitive market.

SVP and Chief Financial Officer, SVP, Development, and Investments, SVP Legal and Administration

	Position	Base Salary			Target Bonus	Target Total Cash
Current	CFO	\$266K			25% of base	\$332K
	SVP, Dev. & Inv.	\$251K				\$314K
	SVP, Legal & Admin.	\$230K				\$288K
Market Aligned Structure (All Comparators)		Min (85% of Mid)	Midpoint	Max (115% of Mid)	25% of base	Midpoint Target \$300K (Premium of 20% applied to the Blend of 50 th Percentile Results)
		\$204K	\$240K	\$276K		
Impact		• Current base salaries for all executives are within the premium salary range alternative.				

IMPACT & NEXT STEPS



IMPACT & NEXT STEPS

Impact

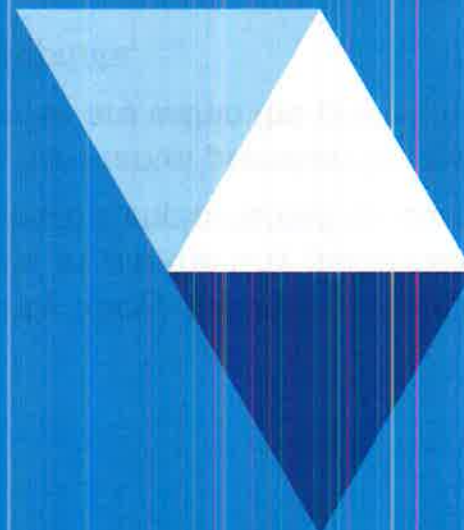
- Build executives, with the exception of the CEO, are currently above the maximum of the salary range aligned with the 50th percentile of public sector comparators, as per the City guidelines. Reducing base salaries may trigger a potential claim for constructive dismissal if implemented for current SVPs.
- Using the premium compensation range which recognizes the market premium for real estate development skills and experience, current Build SVP salaries are within the premium salary range.
 - The Build Board should determine if a premium is appropriate.

Next Steps

- Review of findings and compensation structures with Build
- Finalize comparator group for Build executives based on feedback from Build
- Finalize report based on confirmed comparator group

APPENDIX A

DETAILED POSITION DATA



DETAILED POSITION DATA

CHIEF EXECUTIVE OFFICER

All values in CAD '000s (except where noted).

Company	Annual Revenue / Operating Budget	Incumbent	Title	2015 Base Salary	2015 STI		Total Cash Comp
					As a % of Base	As a CAD Amount	
Toronto Community Housing Corp.							
Infrastructure Ontario							
Toronto Waterfront Revitalization Corp.							
Royal Ontario Museum							
Metro Toronto Convention Centre							
Ontario Energy Board							
Alcohol & Gaming Commission of Ontario							
Ontario Pension Board							
Ontario Financing Authority							
Toronto Port Lands Company							

Summary Statistics (All)

75th Percentile	\$127		-	-	-	\$526
50th Percentile	\$46		-	-	-	\$404
25th Percentile	\$24		-	-	-	\$311
Average	\$124		-	-	-	\$419

Summary Statistics (Real Estate Orgs)

75th Percentile	-		-	-	-	-
50th Percentile	\$154		-	-	-	\$336
25th Percentile	-		-	-	-	-
Average	\$251		-	-	-	\$345

Summary Statistics (Companies 0.5x - 2.0x)

75th Percentile	\$55		-	-	-	\$568
50th Percentile	\$28		-	-	-	\$411
25th Percentile	\$23		-	-	-	\$280
Average	\$36		-	-	-	\$440

Build Toronto	\$36	Bryck, B.	President & CEO	\$314	25%	\$78	\$392
Positioning							
All							P44
Real Estate							P69
0.5x - 2.0x							P37

Notes to Compensation Information

(*) Compensation data is from the most recent Ontario Public Sector Salary Disclosure and may not represent full-year compensation

DETAILED POSITION DATA

CHIEF FINANCIAL OFFICER

All values in CAD '000s (except where noted).

Company	Annual Revenue / Operating Budget	Incumbent	Title	2015 Base Salary	2015 STI		Total Cash Comp
					As a % of Base	As a CAD Amount	
Toronto Community Housing Corp. Infrastructure Ontario Toronto Waterfront Revitalization Corp. Royal Ontario Museum Metro Toronto Convention Centre Ontario Energy Board Alcohol & Gaming Commission of Ontario Ontario Pension Board Ontario Financing Authority Toronto Port Lands Company							

Summary Statistics

75th Percentile	\$127			-	-	-	\$267
50th Percentile	\$46			-	-	-	\$250
25th Percentile	\$24			-	-	-	\$222
Average	\$124			-	-	-	\$249

Summary Statistics (Real Estate Orgs)

75th Percentile	-			-	-	-	-
50th Percentile	\$154			-	-	-	\$247
25th Percentile	-			-	-	-	-
Average	\$251			-	-	-	\$247

Summary Statistics (Companies 0.5x - 2.0x)

75th Percentile	\$55			-	-	-	\$296
50th Percentile	\$28			-	-	-	\$251
25th Percentile	\$23			-	-	-	\$173
Average	\$36			-	-	-	\$252

Build Toronto	\$36	Fiume, D.	SVP & CFO	\$266	25%	\$66	\$332
							All P86
							Positioning Real Estate Max
							0.5x - 2.0x P80

Notes to Compensation Information

(*) Compensation data is from the most recent Ontario Public Sector Salary Disclosure and may not represent full-year compensation

DETAILED POSITION DATA

SVP DEVELOPMENT & INVESTMENT

REFLECTS DEVELOPMENT EXECUTIVES AND 3RD CASH RANK
EXECUTIVES WHERE NO DEVELOPMENT ROLE

All values in CAD '000s (except where noted).

Company	Annual Revenue / Operating Budget	Incumbent	Title	2015 Base Salary	2015 STI		Total Cash Comp
					As a % of Base	As a CAD Amount	
Toronto Community Housing Corp.							
Infrastructure Ontario							
Toronto Waterfront Revitalization Corp.							
Royal Ontario Museum							
Metro Toronto Convention Centre							
Ontario Energy Board							
Alcohol & Gaming Commission of Ontario							
Ontario Pension Board							
Toronto Port Lands Company							
Ontario Financing Authority							

Summary Statistics

75th Percentile	\$127		-	-	-	\$302
50th Percentile	\$46		-	-	-	\$250
25th Percentile	\$24		-	-	-	\$239
Average	\$124		-	-	-	\$284

Summary Statistics (Real Estate Orgs)

75th Percentile	\$443		-	-	-	\$419
50th Percentile	\$100		-	-	-	\$248
25th Percentile	\$20		-	-	-	\$234
Average	\$205		-	-	-	\$311

Summary Statistics (Companies 0.5x - 2.0x)

75th Percentile	\$55		-	-	-	\$296
50th Percentile	\$28		-	-	-	\$251
25th Percentile	\$23		-	-	-	\$244
Average	\$36		-	-	-	\$292

Build Toronto	\$36	Logie, D.	SVP, Development & Investments	\$251	25%	\$63	\$314
Positioning							All
							Real Estate
							0.5x - 2.0x
							P80
							P58
							P68

Notes to Compensation Information

(*) Compensation data is from the most recent Ontario Public Sector Salary Disclosure and may not represent full-year compensation

DETAILED POSITION DATA

SVP, LEGAL & ADMINISTRATION

All values in CAD '000s (except where noted).

Company	Annual Revenue / Operating Budget	Incumbent	Title	2015 Base Salary	2015 STI		Total Cash Comp
					As a % of Base	As a CAD Amount	
Toronto Community Housing Corp. Infrastructure Ontario Toronto Waterfront Revitalization Corp. Royal Ontario Museum Ontario Energy Board Alcohol & Gaming Commission of Ontario Ontario Pension Board Ontario Financing Authority Toronto Port Lands Company							

Summary Statistics

75th Percentile	\$154			-	-	-	\$316
50th Percentile	\$38			-	-	-	\$244
25th Percentile	\$23			-	-	-	\$210
Average	\$131			-	-	-	\$264

Summary Statistics (Real Estate Orgs)

75th Percentile	-			-	-	-	-
50th Percentile	\$154			-	-	-	\$226
25th Percentile	-			-	-	-	-
Average	\$251			-	-	-	\$249

Summary Statistics (Companies 0.5x - 2.0x)

75th Percentile	\$45			-	-	-	\$316
50th Percentile	\$26			-	-	-	\$247
25th Percentile	\$22			-	-	-	\$216
Average	\$33			-	-	-	\$271

Build Toronto	\$36	Trumper, S.	SVP, Legal & Administration	\$230	25%	\$58	\$288
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Positioning	All	P71
	Real Estate	P64
	0.5x - 2.0x	P61

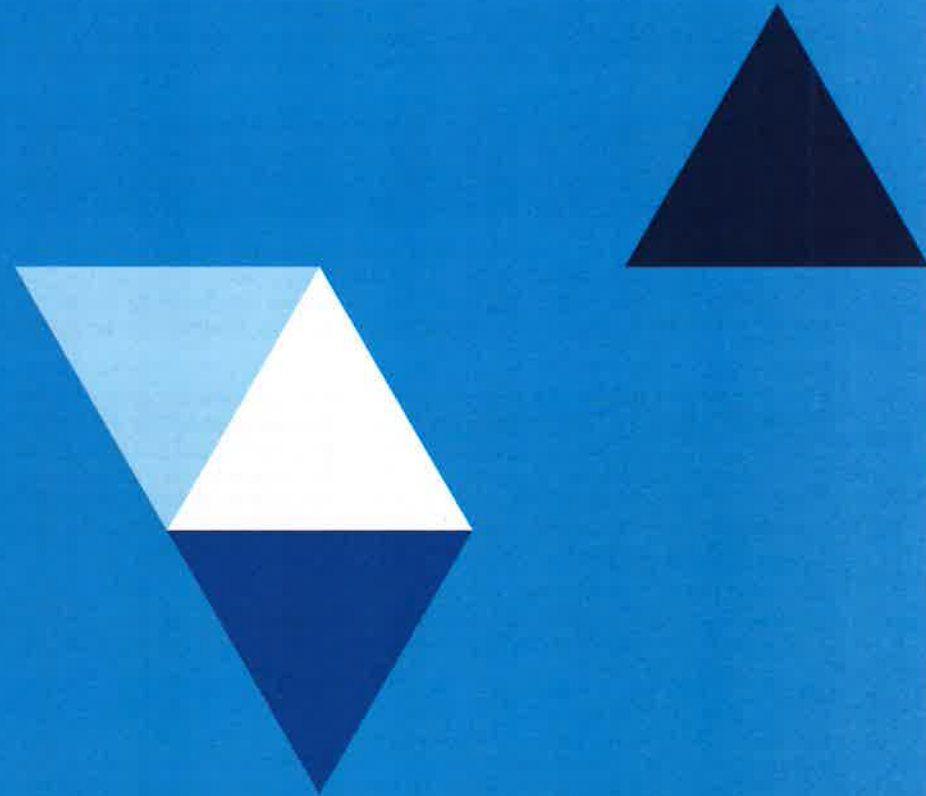
Notes to Compensation Information

(*) Compensation data is from the most recent Ontario Public Sector Salary Disclosure and may not represent full-year compensation

Note: The Metro Toronto Convention Centre does not have a comparable position to Build Toronto's SVP, Legal & Administration.

APPENDIX B

DETAILED POSITION MATCHES



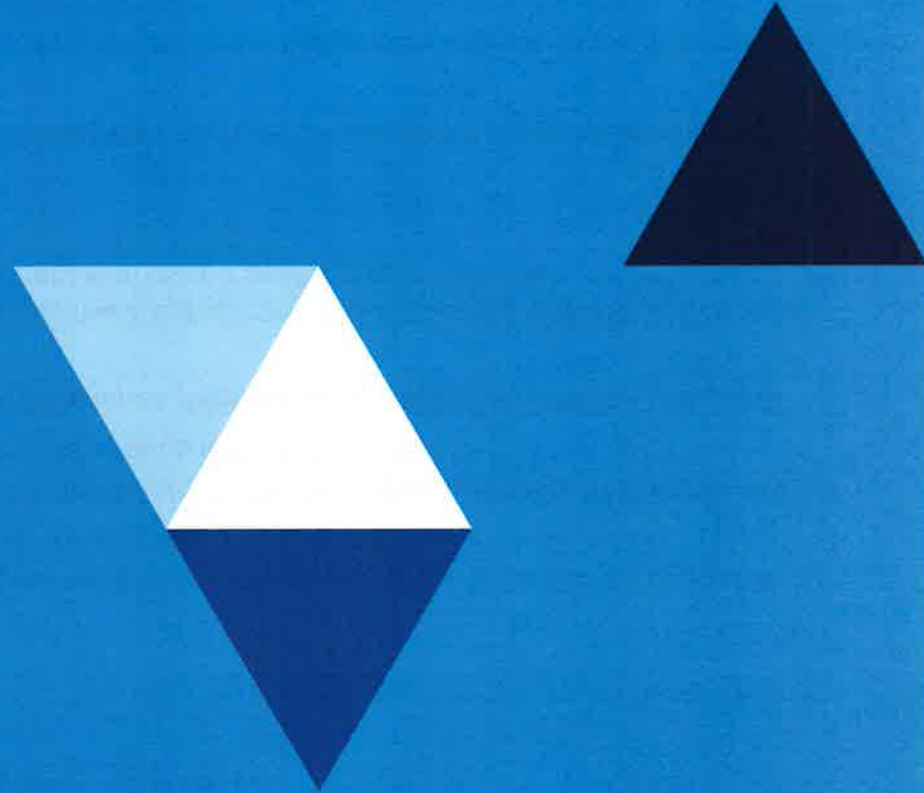
DETAILED POSITION MATCHES

MBD BENCHMARK POSITIONS

Build Toronto Position	Survey Benchmark Match	Survey Position Description
President & CEO	Head of Organization	This is the top executive position within the organization. The incumbent is responsible for the overall direction of the business and for achieving maximum financial returns. Co-ordinates the efforts of senior executives and works with them and with the Board of Directors to develop current and long-range objectives, strategies and policies for the organization. Promotes positive relations with all external factions, e. g. , customers, the financial community, and government. Responsible for pursuing and negotiating mergers, acquisitions and dispositions. May or may not serve as Board Chair. May be President of the organization. May report to the Board of Directors. Organizations that are a subsidiary, group or division should not match to this position. This is generally a single incumbent position.
SVP & CFO	Top Finance Executive	This is the top financial position within the organization, with responsibility for formulating financial policy and plans. Responsible for providing overall direction for all finance, accounting, tax, insurance, budget, credit and treasury functions. Typically reports to the Chief Executive Officer. This is generally a single incumbent position. Organizations that are a subsidiary, group or division should not match to this position.
SVP, Development & Investments	Top Business Development Executive	Responsible for the analysis of new business opportunities through market research and developing marketing initiatives. Builds collaborative relationships with other organizations. Provides business development leadership and leads efforts on licensing agreements. Co-ordinates with Strategic Planning Director to ensure merger/acquisition/licensing activities support long-term organization plans. Typically reports to the Chief Operating Officer or Chief Financial Officer.
SVP, Legal & Administration	Primary match: General Counsel	This is the top legal position, with responsibility for determining the organization's legal posture and interests. Ensures that the business practices, policies and dealings of the organization meet regulatory requirements to protect the organization from legal actions. Protects the organization's legal rights with respect to competitive issues (e. g. , trademarks, patents, copyrights, contractual arrangements, etc.). Manages legal defense, the interpretation and preparation of legal documents and provides counsel on legal matters. May also serve as Corporate Secretary. Typically reports to the Chief Executive Officer. Organizations that are a subsidiary, group or division should not match to this position. This is generally a single incumbent position.
	Supplementary match: Top Human Resources Management Executive	Develops, implements and co-ordinates policies and programs encompassing all, or nearly all, aspects of human resource management, including employment, labor relations, compensation programs, training, recruitment, workforce planning and development, employment equity programs and total quality management initiatives. Originates policies and monitors activities affecting all operations in all locations of the organization. May be responsible for community and/or public relations activities. Typically reports to the Chief Executive Officer or the Chief Operating Officer. Organizations that are a subsidiary, group or division should not match to this position. Note. This is generally a single incumbent position; sub-function directors should be matched to Human Resources Director.

APPENDIX C

DETAILED METHODOLOGY



DETAILED METHODOLOGY

DATA SOURCES & POSITION MATCHES

Data Sources

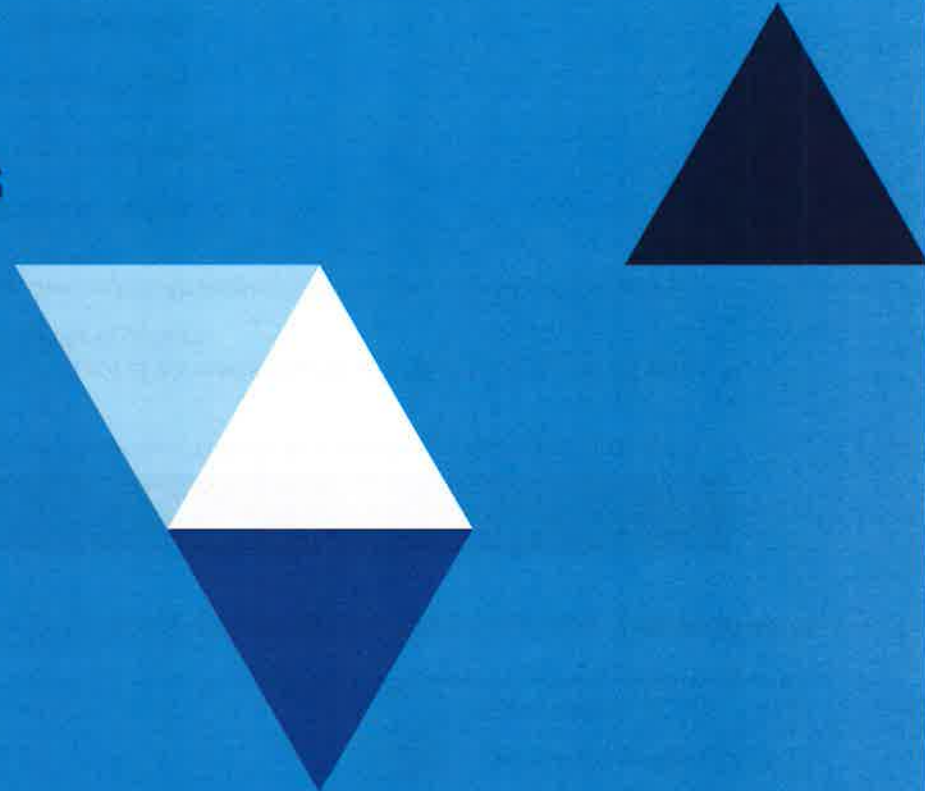
- Market data is provided from the following sources:
 - **Primary Source:** Comparator group data based on 2016 Ontario Public Sector Salary Disclosure for the 2015 calendar year, and salaries, bonuses and other payments made directly to the employee during the year
 - Compensation data are presented as disclosed and, due to the limitations of the data source, may not reflect an annual amount (e.g. where an employee may have joined or left the organization during the year)
 - Where compensation data appears to reflect partial year compensation, they are provided for information purposes only and are not reflected in summary market statistics
 - **Supplementary Source:** Survey data from the 2015 Mercer Benchmark Database (“MBD”) survey, consisting of crown, and private organizations with less than \$100 million in revenue and real estate sector data is provided

Position Matches

- Based on publicly available information, TPLC's executive positions have been matched to estimated comparable roles among the comparator group and supplementary data source
 - Additionally, we have ensured that the benchmarked executive roles are of similar complexity and job function to the positions at TPLC, based on the title and our knowledge of the organizations
- The following are the executive benchmarks:
 - President & CEO benchmarked to head of organizations relative to both sets of data
 - SVP & CFO benchmarked to top finance executives relative to both sets of data
 - Corporate Secretary & General Counsel benchmarked to 3rd highest paid executive in peer group; relative to survey data benchmark match is top legal executive

APPENDIX D

COMPARATOR ORGANIZATIONS



COMPARATOR ORGANIZATIONS RATIONALE FOR INCLUSION

	Have Real Estate Operations
	Within 1/2 to 2x

- The table below details the public sector organizations that comprise TPLC's comparator group, including their size relative to TPLC

Organization Name	Annual Revenue / Operating Budget (000 000's)	Rationale for Inclusion in Comparator Group
Toronto Community Housing Corp.	\$678	Public sector organization with the City of Toronto as a stakeholder. Manages significant real estate assets.
Infrastructure Ontario	\$208	Public sector organization engaged in the management of significant portfolio of real estate assets on behalf of the Province of Ontario.
Toronto Waterfront Revitalization Corp.	\$100	Public sector organization with multiple stakeholders that plays a role in the planning and development of real estate assets.
Royal Ontario Museum	\$67	Public sector organization of a similar size.
Metro Toronto Convention Centre	\$55	Public sector organization of a similar size.
Ontario Energy Board	\$38	Public sector organization of a similar size.
Alcohol & Gaming Commission of Ontario	\$28	Public sector organization of a similar size.
Ontario Pension Board	\$24	Public sector organization of a similar size.
Ontario Financing Authority	\$23	Public sector organization of a similar size.
Toronto Port Lands Company	\$17	Public sector organization of a similar size and real estate focus.

MAKE



**TOMORROW,
TODAY**

Public Item # 2

To:	Build Toronto Inc. Board of Directors
From:	David Fiume, Senior Vice President & Chief Financial Officer
Date:	September 20, 2016
Subject:	Update on Auditor General's Report

Recommendations

It is recommended that the Build Toronto Inc. Board of Directors receive this report for information.

Attachment: Management's Response to Auditor General's Review of the Operational Review of Build Toronto Inc.

**Management's Response to the Auditor General's Review of the
Operational Review of Build Toronto Inc.**

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
	City Manager					
	Strategic					
5.		City Council request the City Manager, in consultation with Build Toronto's Chief Executive Officer, to review the Shareholder Direction on a periodic basis to ensure that the mandate and City objectives remain consistent with City Council's ongoing priorities and expectations for Build Toronto. Any changes required should be submitted to City Council for approval.		In 2015, the City Manager will review the Shareholder Direction to Build Toronto, and recommend mandate amendments to Council should they be required.	BT welcomes clarity of Council Direction for the inclusion of this recommendation.	External – 2015 <u>BT Owner:</u> CEO <u>Timing:</u> Initiated discussion with City Manager's Office Monthly monitoring Target: Q2 2017 (Previously Q4 2015) Part of CWRER Not within BT control
6.		City Council request the City Manager, in consultation with Build Toronto's Chief Executive Officer: a. Formalize a dividend policy consistent with the mandate and objectives of Build Toronto; and b. Establish processes to enable the periodic review of the dividend policy.	As per Council direction, City staff have been discussing with the Province potential regulatory changes that impact Build Toronto's ability to generate profit and issue dividends to the City. The results of these discussions will be incorporated into a new policy.	In 2015, the City Manager will formalize a dividend policy, in consultation with Build Toronto, which will include a provision for periodic review.	BT will work with City Manager to put in place a policy that ensures there is flexibility for cash flow, funding capital, etc, and factors in the ebbs and flows of sales. The (hopefully) upcoming provincial approval of the loan guarantee will help with the safety net concept, but not eliminate the need for a well thought out dividend policy.	External – 2015 <u>BT Owner:</u> CFO <u>Timing:</u> Second meeting and philosophy from City Manager. BT analyzing models, cash flow, etc of potential plans. Further meeting to occur in 2016 Target: Q4 2016 (could be bundled with CWRER) (Previously Q4 2015) Not within BT control

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
22.		City Council request the City Manager, in consultation with the Chief Executive Officers of Build Toronto, Invest Toronto, and Toronto Port Lands Company to review areas where opportunities exist to consolidate or coordinate operations and report to City Council on the results of these consultations.		The City Manager will consult with Build Toronto, Invest Toronto and Toronto Port Lands Company on opportunities to consolidate or coordinate common activities, and report to Council with recommendations in the second quarter of 2015.	<p>The full report communicated the lost savings of TPLC's move from BT's premises. Speaks to potential savings of \$1 million.</p> <p>This is also part of the discussion of merging companies together to be more effective as well.</p>	<p>External – 2015</p> <p><u>BT Owner:</u> CEO <u>Timing:</u> Council approved plan now on-going.</p> <p>Target: Q2 2017 (Previously Q4 2015) Part of CWRER Not within BT control</p>
	Property Acquisition					
7.		City Council request the City Manager to ensure that the ongoing review of real estate holdings and the City-Wide Office Modernization Plan consider alternate accommodation solutions to allow for the development of high value sites. The City Manager report to City Council and the Board of Build Toronto annually on the progress made to identify sites currently in operational or program use that have significant development or value potential.		<p>City Real Estate Services is reviewing citywide overall holdings and will outline high potential development on an annual basis.</p> <p>The City Manager's report will be completed mid-year 2015.</p>	<p>As discussed many times, this initiative is critical to freeing up high value sites for BT through corporate efforts to consolidate, etc. Management feels that the inclusion of this item in the report due is critical For our future.</p> <p>Certain Initiatives have been included such as Etobicoke Civic Centre, Westwood, etc.</p>	<p>External – 2015</p> <p><u>BT Owner:</u> CEO <u>Timing:</u> Initiated discussion with CCO, studies being completed in concert with the above recommendation. What can be done has been and to implement this recommendation fully, the CWRER must be completed. Target: Q2 2017 (Previously Q4 2015)</p> <p>Not within BT control</p>

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
8.		<p>City Council request the City Manager ensure that a comprehensive City-Wide Real Estate Strategy is prepared which contemplates:</p> <p>a. Protocols for cooperation by City divisions, agencies, and corporations which clarifies how they would be compensated for the operating and capital impacts of transferring properties to Build Toronto; and</p> <p>b. Protocols for real estate development activities carried out by City agencies and corporations and whether such activities should be centralized or coordinated with Build Toronto.</p>		<p>City Real Estate Services will review current city wide strategy. The City Manager will bring forward a report in 2015.</p>	<p>There are two parts to this recommendation.</p> <p>Part One: This is the second method of freeing up valuable sites for BT, by incenting the sister companies and departments to be team players for the City, so that we can obtain value for underutilized sites, a “win-win”</p> <p>Part two: the recognition of BT as the central development agency for the City is also critical, providing security for BT as an entity and further product.</p> <p>These items in the report are critical for our future.</p>	<p>External – 2015</p> <p><u>BT Owner:</u> CEO</p> <p><u>Timing:</u> <u>Part of recommendation #22 above.</u></p> <p>Council approved plan for CWRER now on-going.</p> <p>Target: Q2 2017 (Previously Q4 2015)</p> <p>Not within BT control</p>
9.		<p>City Council request the City Manager, in consultation with Build Toronto's Chief Executive Officer, to ensure that properties already declared surplus are transferred to Build Toronto on timely basis.</p>		<p>The City Manager will request that City Real Estate, in consultation with Build Toronto, review the process to transfer properties declared surplus in Q1 2015, and recommend changes to Council to streamline the process, if appropriate, to ensure properties are transferred on a timely basis.</p>	<p>Reflects two main issues, the ever increasing length of time to obtain properties and with that long time period, we have had a number of properties “retracted” more for Councillor concerns, not overall City issues.</p>	<p>External – 2015</p> <p><u>BT Owner:</u> CFO</p> <p><u>Timing:</u> Initiated internal process Leading to presentation to RES. Part of CWRER</p> <p>Target: Q2 2017 (Previously Q4 2015)</p>
	Reporting					

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
14.		City Council request the City Manager, in consultation with the Chief Executive Officer of Build Toronto, to report to Council the estimated open market financial impact of terms and conditions of transfer agreements together with any Section 37 or other obligations on properties transferred to Build Toronto.		The City Manager, in consultation with Build Toronto, will explore methodologies and processes to estimate the financial impact of terms and conditions of transfer agreements for properties to be transferred to Build Toronto and report in 2015.	It is key that Council be able to understand and quantify the costs of the terms and conditions, especially strata title, to aid transparency for transfer approval. It is important that this item is presented by City Manager, not BT	External – 2015 <u>BT Owner:</u> CFO <u>Timing:</u> RES is discussion with City Manager’s Office. No properties recently transferred or rescinded through Council Target: Q4 2016 (Previously Q4 2015) Not within BT control
	Internal					
	Strategic / Reporting					
1.		The Board of Directors of Build Toronto request the Chief Executive Officer to ensure Build Toronto's five-year strategic plan includes clear objectives and performance measures which address both the financial and non-financial priorities of the City.		In 2013, Build Toronto identified and began to measure non-financial results. In our “2013 Annual Review”. Build Toronto sets out our non-financial strategic priorities that we will measure, being: Engagement, Livable Neighbourhoods, Sustainability, Employment and Transit-Oriented Development, in addition to our Financial and Affordable Housing objectives, that will be built into our upcoming 2015 – 2019 Strategic Plan, currently being prepared. Non-financial objectives are now being reported on separately in every submission brought to the Board for approval.	This was fairly non-judgmental to BT. There was a realization that BT had a tremendous influence placed on it to increase sales and dividends and therefore did not allow BT to fulfill the “City Building” portion of its Mandate. Mentioned the upcoming Affordable Housing Program, and the recent measurement of City Building, but we have to make sure we put these goals in our Strategic Direction, being reviewed for possible approval in January 2015	To be built into our current Strategic Plan, led by CEO. <u>BT Owner:</u> CEO <u>Timing:</u> <u>Status: Targets included in business plans and to be augmented in 2016 Plans</u> Management portion Completed <u>HRCG to incorporate targets into future STIP, probably done as part of CWRER</u> Target: Q2 2017 (Previously Q4 2015)

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
	Reporting					
2.		The Board of Directors of Build Toronto request the City Manager to submit the approved 5-Year Strategic Plan, or any subsequent updates to the Plan, to City Council for information.		Build Toronto can confirm that it has asked and the City Manager has agreed to make the 2015 – 2019 Strategic Plan available to Council for information, and Build Toronto will report its progress through its AGM, and other opportunities with Council.	Follows up on our commitment at the City’s Executive Committee to ensure that we submit it, but basically that the City Manager make it available, which he does.	Status: Completed
3.		The Board of Directors of Build Toronto request the Chief Executive Officer to ensure Build Toronto's Annual Report addresses progress towards achieving the objectives specified in the strategic plan and activities which contribute towards Build Toronto's ability to fulfill its mandate.		Build Toronto will report its progress on its strategic objectives through its Annual Report and Annual Review for 2014, and will specifically report progress at its AGM in May / June 2015 and at other opportunities.	Reporting of actual results achieved will be done in our Annual Report or a separate document, like the “Annual Review” (which focuses just on City Building) presented to Executive Committee.	BT Owner: CEO Status: Completed Approved and filed Strat Plan, Financial Results and Annual Review

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
12.		<p>The Board of Directors of Build Toronto request the Chief Executive Officer to provide reports summarizing the value created on each project which include, where possible:</p> <p>a. A summary of activities completed by Build Toronto staff to enhance the value of properties and the related estimates of profits generated as a result of realized holding gains versus profits earned through site advancement activities;</p> <p>b. A summary of additional actions taken to enhance the value of the site where Build Toronto continues to participate in a joint arrangement on the site and the related future proceeds from profit participation in these arrangements;</p>		Build Toronto has committed that it will report items of this nature, where information is available, when financial statements are presented at Executive Committee in May / June 2015, and then through this process to Council.	<p>This is a follow-up from a request at Executive Committee that we reflect our “works” on all properties, since the sales do not reflect all the Company’s efforts.</p> <p>Holding Gains probably can’t be split from Value Add gains, but we will look at some alternatives.</p>	<p>BT Owner: SVP Development</p> <p>Timing: Status: Completed with Approved and filed Annual Review</p> <p>Notes: - (d) Financial impact was not done by BT yet, it will be reported on by BT once RES discloses this information. - At times, to preserve confidential information about sales transactions, information is often aggregated. In future reports, BT to use general real estate inflationary factors, to incorporate holding gain into annual results.</p>
		<p>c. The projected economic impact of the development of the property;</p> <p>d. The financial impact of any conditions attached to the property transfer; and</p> <p>e. A summary of other city building benefits expected to be realized and the associated financial impact of providing such benefits.</p>		Build Toronto will coordinate with the City as noted in recommendation #14.	<p>c. Being done currently – but not for historic sales, we will have to get an update for this purpose.</p> <p>d. very important recommendation, for BT to coordinate with the City..</p> <p>Similar to recommendation 1.</p>	<p>Completed</p> <p>See #14 above</p> <p>Completed</p>

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
13.		The Board of Directors of Build Toronto request the Chief Executive Officer to periodically report on the actual versus projected economic impact from development of the property.		Build Toronto currently estimates future economic and fiscal benefits from all properties received from the City, and to the extent possible, will report on these metrics at its next AGM in May / June 2015.	This will be very difficult to achieve for non-public information for sold properties, but we are currently investigating what can be obtained publically.	BT Owner: CFO Status: Completed with Approved and filed Annual Review. Some information will be estimated, since certain information is private.
15.		The Board of Directors of Build Toronto request the Chief Executive Officer to enhance the Record Retention Policy to clarify what information needs to be documented and retained in support of processes to identify purchases and/or development partners.		A current internal committee is working on a new record retention policy, targeted completion by Q1 2015.	Unfortunately an embarrassing issue that we were not able to produce source documents from the past on transactions prior to a number of personnel being in place at BT.	BT Owner: GC Status: Not fully Completed with Revamped filing policy, which includes draft retention policy which needs to be approved (all records currently retained)
	Operational					
4.		The Board of Directors of Build Toronto request the Chief Executive Officer to conduct a review of the incentive compensation program and the executive performance management processes to ensure appropriate emphasis is placed on both long term goals established in the strategic plan and annual performance targets.	This project was started approximately a year and a half ago, but was delayed due to a number of organizational issues, such as the reconstitution of the Build Toronto Board (private citizens including the Chair), a new Chief Executive Officer and the reorganization of the company.	The Chief Executive Officer of Build Toronto will discuss this issue with Build Toronto's Human Resources and Corporate Governance Committee at the first fully constituted meeting in the First Quarter 2015.	By examining the metrics used in assessing bonus level, only a minor percentage is allocated directly to City Building. Notwithstanding, BT personnel understand the requirement to make Councillors satisfied, so that they sign-off on transferring the property to BT, which is necessary under the transfer process.	BT Owner: HRCG /CEO Timing: BT is ensuring that City Building Metrics are incorporated into Plans and STIP Bonus metrics. Consultant was selected by HRCG and reported. HRCG to incorporate targets into future STIP as part of CWRER Target: Q2 2017 (Previously Q4 2015)

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
10.		<p>The Board of Directors of Build Toronto request the Chief Executive Officer to prepare and document detailed project plans for each property which includes:</p> <ul style="list-style-type: none"> a. Milestones and timelines (key activities); b. Detailed pre-development and development budgets; c. A robust risk assessment together with measures to address risk identified; and d. A forecast of project profits. 		This process has already begun, and should be completed by the second quarter 2015.	<p>The AG observed that there a lack of documenting the project plans, and changes to those plans are not documented and communicated to the Board, the recommendation below.</p> <p>A number of the projects have business plans (I am not sure of the level of Board review) and the remainder have to be completed.</p>	<p><u>BT Owner:</u> SR VP Dev <u>Timing:</u></p> <p><u>Status:</u> Completed</p>
11.	Operational	<p>The Board of Directors of Build Toronto request the Chief Executive Officer enhance periodic project status update reports to document progress made on project plans including:</p> <ul style="list-style-type: none"> a. Description of any changes to milestones and timelines including any significant slippages or issues impacting the progress of projects; b. Actual life-to-date costs compared to original pre-development and development budgets and explanations for significant variances; and c. Revised project profitability forecasts including any changes to the assumptions used. 		Monitoring of plans, as noted above, will commence as long range plans are completed through 2014 to second quarter 2015.	A procedure for the requirement that the plans be updated on an on-going basis, how often, and how are these changes communicated to the Board has not been concluded.	<p><u>BT Owner:</u> SR VP Dev <u>Timing:</u> Process of reporting will commence with completion of plans noted above. Also to be integrated into new Policy and Procedure. <u>Target:</u> Q2 2015</p> <p>Completed – these items are being reported with the project details</p>

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
	Transactional / Procurement					
16.		The Board of Directors of Build Toronto request the Chief Executive Officer to implement processes to ensure that, where external consultants or partners conduct the process to identify purchasers and/or developer partners, Build Toronto obtain and retain adequate supporting documentation from the external parties to demonstrate compliance with its own policies and procedures.		Build Toronto has recently put this recommendation in place, so that this oversight will ensure compliance by consultants working on our behalf, such as brokers, by ensuring that the Procurement Manager is included, with proper documentation of the process.	Where we use outside consultants, i.e. still our project, therefore our procedures (not that we are a minority partner), such as a broker, we need to ensure that our procedures are followed, even where there appears to be little visibility.	<u>BT Owner:</u> CFO <u>Timing:</u> Completed . Procurement Manager ensured that external Consultants understand BT's procurement objectives and this has been done for all 2015 transactions through his involvement.
17.		<p>The Board of Directors of Build Toronto request the Chief Executive Officer to implement a formal policy governing the processes to identify purchasers and/or development partners which addresses:</p> <p>a. Practices to support the openness, fairness and transparency of processes while respecting the hybrid nature of Build Toronto; and</p> <p>b. Key controls that should be implemented to substantiate efforts to maximize financial returns and ability to achieve city-building objectives.</p>		<p>Build Toronto is finalizing its transaction policy that will reflect the current process, and where required, update the process to ensure that the objectives of the policy continue to support the objectives of openness, fairness and transparency while respecting the hybrid nature of Build Toronto. Completion by second quarter 2015.</p> <p>Build Toronto has implemented an improved monitoring and recording system through the Procurement Manager, capturing the “gives and takes” of negotiations as they move along.</p>	<p>This recommendation comes from the AG believing that not all of the transactions had a wide enough distribution, and that led to a more limited set of respondents. BT did not really agree that the facts supported this conclusion, but that a policy that requires full dissemination of potential transactions, especially where brokers are utilized (such as advertising all transactions) is a strategy.</p> <p>As well, the scoring and request should detail how we evaluate competing proposals.</p>	<p><u>BT Owner:</u> CFO <u>Timing:</u> Initiated internal review of process for last few sales transactions. Formalizing and documenting, for inclusion in new Policy and Procedure. <u>Target:</u> Q2 2015. Completed - Scoring is included for all RFPs and transactions in 2015. BT continues to use rosters or ensures wide dissemination if rosters not used</p>

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
18.		<p>The Board of Directors request the Chief Executive Officer to ensure that, for all property transactions, reports recommending or short listing purchasers and/or development partners include:</p> <ul style="list-style-type: none"> a. A summary of evaluations of submissions received in response to requests for bids or proposals; b. A comparison of key terms and conditions offered by bidders or proponents and the corresponding projected financial returns including underlying assumptions of financial analysis; and c. Other qualitative factors considered in recommending or short listing bidders or proponents. 		<p>Build has commenced the process of improving the disclosure within the submissions to the Board and is working with the Board to ensure that the information required, is received. Completion of program by first quarter 2015.</p>	<p>When using a broker on transactions, a summary sheet was prepared, but often it was inconclusive, or wasn't really indicative of a clear number one.</p>	<p><u>BT Owner:</u> CFO <u>Timing:</u> Completed. New process is being used on all transactions, with Procurement Manager involved to ensure objectives of transparency, equity and fairness are met.</p>
19.		<p>The Board of Directors request the Chief Executive Officer to report any subsequent significant changes to terms and conditions of agreements including:</p> <ul style="list-style-type: none"> a. The justification for such negotiated changes; b. The financial and qualitative impacts of such changes; and c. Any alternatives considered in the structuring of agreements. 		<p>During the sales process, negotiating terms and conditions are fluid. Build Toronto is now recording the negotiating process, as noted above, to be reported to the Board. Completion of policy in the first quarter 2015.</p> <p>At times, there may be insignificant allowance for change delegated to management through the Board motion approving the transaction. If the transaction is within that allowance, management will subsequently report this to the Board, but is not required to seek additional approval.</p>	<p>After selection, there often was not a trail of the negotiations, the “gives and takes” were not documented, which is standard for many real estate companies, but should not be the case for BT.</p>	<p><u>BT Owner:</u> CFO <u>Timing:</u> Initiated internal process being led by Procurement Manager and Development Leads for last few transactions, being reviewed for formalizing and documenting, for inclusion in new Policy and Procedure. New Target: Q2 2016. <u>Status:</u> Completed, but each transaction must be reviewed for compliance</p>

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> (Comments are required only for recommendations where there is disagreement.)	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
20.		The Board of Directors request the Chief Executive Officer to implement practices to ensure sufficient supporting documentation of agreements and amendments including the rationale for changes from original offers or proposals.		This process has begun, and Management is working with the Board to ensure there is documentation in place to support all changes. Completion by Q1 2015.	In examining the documents, the rationale was often not documented for changes in the legal agreements, especially amendments, similar to above.	Included in the above Status: Completed - included in above recommendation
21.		The Board of Directors ensure minutes of Board and Board committee meetings adequately document: a. The nature and extent of additional information verbally disclosed by management during Board discussions with respect to property transactions; and b. Direction or decisions by the Board which would impact the outcomes of the transaction.		Management will discuss this issue with the Board and incorporate this into the minutes.	There is a lack of details in the Minutes, which really do not demonstrate support for changes, other than the approved motion. Minutes should reflect the back ground of the decisions, especially when management is directed.	BT Owner: BOD / GC <u>Timing:</u> Recognition of further detail in the minutes regarding transaction, led by GC, but must be implemented by BOD. <u>Target:</u> Q1 2015. Completed – new minute policy being followed
23.		The Board of Directors of Build Toronto request the Chief Executive Officer, in consultation with the City Manager, to review the Procurement Policy and recommend appropriate revisions to the policy which support effective, objective, fair, open, transparent, accountable, and efficient procurement processes.	.	Build Toronto is reviewing the Procurement Policy, which has been in place for approximately four years, with the goal to make appropriate revisions which support effective, objective, fair, open, transparent, accountable, and efficient procurement processes. Completion in Q3 2015.	This recommendation comes from a few areas where BT differs from the City and questions where the AG believes that there really should not be a difference. BT believes that its use of more judgment rather than prescriptive rules in this manner has a better result, but we are review all out policies, and looking for improvement. One change already implemented is the requirement that all RFPs list selection criteria and the weighting, which we did not communicate in the past, but is required for “public” entities.	BT Owner: CFO <u>Timing:</u> Initiated internal process led by Procurement Manager. Analyzing potential changes and finalization for formalizing and documenting, for updates to Procurement Policy Procurement review Status: In-Progress Revised Target: Q4 2016, previously Q2 2016

<u>Rec No</u>	<u>Ratings</u>	<u>Recommendation</u>	<u>Management Comments:</u> <i>(Comments are required only for recommendations where there is disagreement.)</i>	<u>Action Plan/ Time Frame</u>	<u>Details</u>	<u>Detailed Action Plan & Time Frame</u>
24.		The Board of Directors of Build Toronto request the Chief Executive Officer to ensure that the use of rosters is in compliance with the updated procurement policy.	Build Toronto uses its own roster in most common procurement categories, but has at times used a roster from the City or other City agency where Build does not have the volume to necessitate its own roster (such as in property services).	Rosters are now being reviewed to assess if they require renewal. Build will initiate an update of selected rosters in the Q3 of 2015, and put new rosters in place where required.	Due to the infrequency of the need for certain rosters, BT has used the City rosters and TPLC's. After three years, BT should update the rosters, but this is very time consuming, and there may still be instances where a roster is not justified.	BT Owner: CFO Timing: Underway Planning & Environmental Completed Architecture Underway 2 more rosters tbc Revised Target: Q4 2016, previously Q2 2016
25.		The Board of Directors of Build Toronto request the Chief Executive Officer to enhance oversight and monitoring of procurement activities to include: a. Improved procurement planning to reduce the need for direct procurement and direct award of additional work; and b. Improved reporting of direct procurement activities and significant increases to existing contracts through direct award of additional work.		Build Toronto has augmented its policies to reduce the requirement for Direct procurement and additional work, but understand that there is still room for improvement. “Additional Work” is now reported to the FARM Committee.	BT has tried to reduce direct procurement through discussion and reporting to the FARMC. There continues to be use of direct procurement, some of which is reasonable, some of which can be eliminated through better RFPS that are better define but also provide more flexibility.	BT Owner: CFO Timing: Internal process underway and is linked to the review noted above, and where possible, we may alter procedures to reduce the reportable cases of direct. Target: Procurement review, completion by Revised Target Q4 2016, previously Q2 2016. Status: In-Progress
	Ratings					
		Critical Issue				
		Moderate Issue				
		Low Risk Issue				

Public Item # 3

To:	Build Toronto Inc. Board of Directors
From:	Don Logie, SVP Development & Investments
Date:	September 15, 2016
Subject:	Amended Project Sale Policy and Process

Recommendation

Management and the Real Estate Investment and Development Committee (REIDC) recommend that the Board of Directors approve the amended Project Sale Policy and Process attached as Appendix A to the report dated September 15, 2016.

Appendix A: Blackline of "BUILD TORONTO Project Sale Policy and Process" (revised May 25, 2016)

BUILD TORONTO Project Sale Policy and Process

Policy Sponsor: CEO, Senior Management & Human Resources
Summary: Outlines the steps needed to be completed prior to and during a marketing and sale process.

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1. BACKGROUND

The purpose of this policy is to establish a process for the marketing and sale of BUILD TORONTO properties.

The Annual Budget will have projected certain project sales to occur with the upcoming Budget Year. This process outlines the steps needed to be completed prior to and during a marketing and sale process.

2. FRAMEWORK

2.1 Pre Going to Market

- Due diligence materials prepared and reviewed by development, finance and legal (due diligence checklist will be appended to the policy document) and decide on information to be included in sales data room including:
 - Title including 3rd party rights, easements and covenants
 - Environmental and geotechnical status of property
 - Servicing and transportation issues and requirements if any
 - Existing building issues (eg heritage designation, hazardous substances, building condition assessment, etc)
 - Planning status

BUILD TORONTO Project Sale Policy and Process

- Identify highest and best use and ~~obtain consensus~~[consult](#) with City Planning, local Councillor and other relevant City Departments on, use, built form, density, height (including strata limit if any) , massing, affordable housing, City uses or services to be included,
- Outside legal counsel retained (see procurement guidelines)
- Broker selection (according to procurement guidelines)
- Obtain current 3rd party appraisal or appropriate expression of value and internal opinion of value
- Identify existing or proposed book value and expected profit and cash flow
- Development Manager reviews and updates Project Business Plan as required
- Senior management team agrees on the property sales strategy, target city building elements, and timeline to sale.

2.2 Obtain REID Committee Approval to Market

Prepare submission to REID Committee signed off by SVP Development & Investments, CFO and President & CEO which includes:

- Current Project Business Plan
- Description of highest and best uses, built form, height, density and gross floor area by type of use (include description, table, plans, renderings etc)
- Current management expression of value, 3rd party appraisal, book value, and expected sale price, value creation, and cash proceeds.
- Sale strategy including
 - Identification of property for sale (eg 100% or a joint venture interest)
 - marketing process,
 - targeted city building elements
 - expected sale price
- proposed timeline
 - identification of risk and risk mitigation measures
- Preferred broker and summary of selection process
- Conditions on buyers such as:
 - Ontario Municipal Board Clause,
 - strata,
 - affordable housing and other City Building elements,
 - built form,
- enforcement mechanism for items above (eg development agreement, restrictive covenant, etc).
- Proposed buyer evaluation scoring

3. PROCUREMENT

Sale process will be handled as per BUILD TORONTO Procurement Policy.

- Retain counsel
 - Record and file written rationale for selection of counsel
 - Counsel to review proposed Letter of Intent and proposed Purchase and Sale Agreement (PSA)
- Retain broker
 - Prepare and send out broker RFP
 - Score and select broker
 - Negotiate and finalize listing agreement with broker
 - Record and file written description of the RFP process rationale for selection of broker to demonstrate procurement policy adhered to

BUILD TORONTO Project Sale Policy and Process

4. MARKETING

- Execute confidentiality agreement with broker
- Agree on standard confidentiality agreement for execution by prospective purchasers
- Agree on prospective purchaser identification process and reporting
- Agree on marketing reporting requirements (specify frequency of verbal and written progress reports)
- Review and approve broker's marketing package or CIM which will include required City building elements, required clauses and enforcement provisions
- Field and review broker marketing reports
- Prepare preliminary draft of using the most current form of Property Sale Submission Memorandum (Attachment 1 hereto)
- Update REIDC Chair on occasional basis
- Field and negotiate Letters of Intent as per sales strategy and in accordance with submission guidelines
- Ensure target city building elements and enforcement are included
- Select shortlist as appropriate/ select and negotiate final Letter of Intent (include, where appropriate, proposed Purchase and Sale Agreement with sign back) subject to REIDC approval
- Advise REIDC chair
- Score, record and file written rationale for selection of winning bidder
- If a letter of intent is signed, submit draft Property Sale Submission to REIDC for approval. Management to recommend proposed purchaser, minimum pricing and terms, city building elements, timing and process; with approval to proceed to a binding Purchase and Sale Agreement subject to REIDC and Board of Directors approval.

5. PURCHASE AND SALE AGREEMENT

- Negotiate Purchase and Sale Agreement (PSA) subject to REIDC and Board of Directors approval [and execute the PSA if substantially in conformity with the Letter of Intent approved by REIDC](#)

5.1 Obtain REID Committee Final Approval of Sale

Upon negotiation of the PSA the Property Sale Submission would be finalized and with approval sought from the REID Committee and then to Board for final approval.

Management will co-ordinate with REID Committee Chair any post-closing publicity.

6. COMPLETION OF SALE

6.1 Due Diligence Period

- Deliver due diligence material in accordance with executed LOI or PSA
- Obtain confirmation from purchaser that all due diligence material has been delivered and due diligence period has commenced
- Respond to purchasers enquiries or requests for further information
- Prepare and agree on any required form of Estoppel
- Monitor and enforce all due diligence deadlines and purchaser obligations

BUILD TORONTO Project Sale Policy and Process

- Ensure purchaser complies with and waives all conditions

6.2 Close Transaction

- Ensure all estoppel certificates are distributed and completed
- Ensure all City building enforcement measures are in place
- Confirm that transaction has closed in full compliance with Board of Director approval
- Obtain supporting documentation from broker regarding purchaser identification process
- Finalize documentation regarding buyer evaluation scoring, rationale for any shortlist and rationale for buyer selection
- Confirm for file that all procurement policies adhered to
- Document achievement of city building goals, profit on sale, and created value
- Communicate closing and compliance to REIDC and Board of Directors

HISTORY

Original Effective Date: February 2015 Revised April 15, 2015, Revised May 25, 2016

Next Review Date: April 2018

BUILD TORONTO Project Sale Policy and Process

ATTACHMENT 1

Property Sale Submission Memorandum

To:	[Real Estate Investment & Development Committee or Board of Directors]
Cc:	EMT
From:	
Date:	
Re:	[Project Name] - Request for Approval of Sale

A Recommendation

It is recommended that the Real Estate and Investment Committee approve the _____ as outlined in this report

B Background

1. *Brief Property Description and Due Diligence:*

- Location (attach aerial photo)
- Surrounding land uses
- Planning status
- Environmental/geotechnical condition
- Servicing and access issues
- Title status and city transfer conditions if any

2. *Current Buildings/Structures (if any):*

- Floor Area (GFA and rentable area), number of storeys
- Condition (eg envelope, roof, HVAC etc) and deferred maintenance
- Heritage status
- Tenants including summary of lease terms and rents
- Current net operating income

BUILD TORONTO Project Sale Policy and Process

3. *Appraisal and Management Valuation:*

- Value of latest appraisal and basis on which appraisal was done
- Management's opinion of value and Broker's opinion of value (if available)
- Prepare revised internal valuation

4. *Identify Best Use/Stakeholder Engagement:*

- Identify alternative concepts and uses considered and provide rationale for preferred development concept plan (attached concept plan) and specify proposed density, height and floor area and parking statistics by use
- Obtained consensus with City Planning, Affordable Housing, Heritage etc
- Reviewed with local Councillor
- Community engagement if any

5. *Marketing process:*

- Process for appointing broker (eg RFP?)
- Information prepared and provided to market
- Number of organizations contacted and by what media (email, signage, newspapers, phone)
- Number of proposals received
- Criteria and process for judging proposals
- Shortlisted proponents
- Process for selecting final proponent
- Specify how the process ensured that it was open, fair to all and maximized value to the organization

C. The Proposal

1. *Proposed Transaction:*

- Description of the purchaser including:
 - Owners relevant background
 - Capabilities including amounts and types of development over the last 5 to 10 years and brief description of key relevant projects,
 - Experience and projects completed in the City
 - Satisfaction rating of Purchaser's buyers or tenants
 - Financial/closing risk assessment including bank/lender references, Tarion record, track record in completing purchases, amount of purchase price to be financed
 - Management Report of the findings of due diligence on purchaser regarding previous transactional history, financial capabilities, reputational history, operational capabilities and other findings deemed relevant in different and specific circumstances, and how, if any, the terms may be altered to counter perceived risks.
- Description of recommended development proposal (attach illustration/plan)
- Summary of LOI or Purchase and Sale agreement (attach agreement)
 - Property being sold
 - Purchase price
 - Payable
 - First deposit
 - Second deposit
 - Payable on closing
 - VTB if any and terms

BUILD TORONTO Project Sale Policy and Process

- Due Diligence Period
- Conditions of Sale
- Closing Date
- Representation, Indemnities and Warranties after closing
- Restrictions placed by BT on development, if any (eg no OMB, BT approval rights over development, community uses, affordable housing etc) and method of enforcement
- If joint venture summarize JV agreement

2. *City Building Features:*

- Engagement completed and to be done
- Liveable Neighbourhoods
 - Neighbourhood Regeneration
 - Public realm and quality design
 - Pedestrian connectivity/multi-use paths
 - Parks and open spaces
 - Active ground level spaces
 - Affordable housing
 - Heritage regeneration
- Sustainable Development
 - Brownfield regeneration
 - Adaptive reuse
 - Energy and resource efficiency (LEED, District/Renewable Energy
 - Intensification at transit nodes
- Employment
 - Additional permanent employees and employees in targeted sectors
 - Construction employment
- Financial Benefits
 - City Development Charges and Application Fees
 - Annual Property Taxes (City and Provincial)
 - Income and HST taxes generated
 - Development Costs
 - Contribution to GDP

3. *Risk Analysis*

- Closing Risk
- Reputational risk
- Development Risk if forward sale or jv development project including
 - Design
 - Government Approvals
 - Construction
 - Leasing or sales
 - Financing

4. *Financial Value Analysis*

- Adjust purchase price as required to account for extraordinary expenses to be incurred by purchaser (eg environmental, servicing and other off site works and use present value when payments spread over time)

BUILD TORONTO Project Sale Policy and Process

- If land sale provide the following:
 - Compare adjusted purchase price to appraised land value
 - Compare adjusted purchase price per sq. ft. buildable to market value per sq. ft. buildable
- If income property sale whether existing or to be developed:
 - Calculate value on completion using market cap rate from appraisal and/or present value of 10 year cash flow and document key assumptions (attach cash flow projection)
 - Prepare proforma development budget (if any) and document key assumptions and key financial return parameters (attach proforma budget)
 - Residual value is the difference between value on completion and development cost
- If sale of joint venture interest in development property to be sold on completion
 - Prepare proforma development budget including land at purchase price and sale of finished product and schedule and calculate levered and unlevered IRR and present value (based on market discount rate)
 - Present value should be equal to the risk premium for undertaking the development
- Identify transfer value from City, current book value, expected cost of sales and profit and cash flow benefits of sale
- Calculate created value in addition to land value

D Summary and Management Rationale for Recommendations

Confirm and summarize integrity of sale process including sale price vs market value and list City Building and financial benefits of sale and confirm recommendation

ATTACHMENTS

1. Aerial Photo
2. Concept plans for lands to be sold
3. Purchaser's Development Concept
4. If selling a property to be developed primarily as a commercial/retail income property provide Proforma Development Budget with lease rates and 10 Year Cash Flow complete with financial returns. (Residential properties will be valued on price per building sq. ft. or acre and valuations will be included in text above.)
 -
5. Letter of Intent or Purchase and Sale Agreement (as applicable)