EXECUTIVE SUMMARY

The topic of school closures and redevelopment is currently receiving a lot of media attention in Canada and the United States. Due to declining student enrollment and budget constraints, many Ontario school boards are consolidating and disposing of properties to maximize revenue and access provincial funding for new schools, as well as to obtain capital grants to renovate older facilities. The Toronto District School Board, Canada's largest school board, has accelerated its disposal of properties since 2008 when it created a real estate subsidiary, the Toronto Lands Corporation, to manage its portfolio of surplus sites.

The City of Toronto faces public and political pressure to acquire sites and retain them in public ownership. Partly because the previous surplus school acquisition process was inefficient, it has undertaken a series of policy and procedural changes since 2009 to be more proactive in its response to school closings. This culminated in the adoption by City Council of a surplus school acquisition framework and funding strategy in 2010 to guide staff in the identification, prioritization and acquisition of school sites (City of Toronto, 2010a). The City of Toronto has acquired ten properties from the 40 properties sold by the TDSB from 1998 until December 2011 (see Appendix A), most of which were acquired without the benefit of an acquisition policy to guide decision-making.

The purpose of this report is to understand the development of the City of Toronto's existing surplus school acquisition policy and provide an interim assessment while reviewing the purpose of the ten acquisitions and their consistency with the corporate acquisition criteria that form a part of this policy. The final section provides a set of recommendations to improve the City of Toronto's ability to acquire properties of corporate interest.

Methodology

I used a descriptive case study approach with an evaluative component using mostly qualitative methods to answer my research questions. Case studies rely on multiple sources of evidence to reduce research bias and increase the validity of results. In addition to the standard academic literature review, five sources of evidence were used as part of the data collection process: City of Toronto internal and public documents; municipal and provincial policy documents; site

visits; a municipal email survey; and five face-to-face semi-structured interviews with City of Toronto and Toronto Lands Corporation staff (see Figure 3 in this report for a research design protocol flow chart).

Research Findings

The municipal email survey and policy document review indicate that, with the exception of the City of Burlington, the City of Toronto is unique in being the only Ontario municipality with a surplus school acquisition framework that includes a set of corporate acquisition criteria. These criteria are accompanied by a matrix to help staff in the decision-making process by ranking considerations. Two other municipalities – the City of Ottawa and the City of Hamilton – are currently developing corporate policies to address the acquisition of school properties. However, in contrast to the City of Toronto, the municipalities of Ottawa, Hamilton and Burlington all have some type of corporate municipal acquisition policy.

The City of Toronto's policy is not as comprehensive as it first appears since it reflects the interests and concerns of the staff responsible for its development. Although presented as a comprehensive corporate policy that can facilitate the acquisition of school properties to further municipal objectives in an equitable manner, it actually has a social planning focus. The corporate acquisition criteria, for example, are almost entirely focused on facilitating the acquisition of school sites for community service purposes. They are only somewhat consistent with previous school acquisitions by the City of Toronto as they do not account for acquisitions by agencies whose interests are not reflected in the current criteria. In other words, they are focused on soft infrastructure provision, whereas the City of Toronto is a large municipality with a range of interests and priorities. This causes concern among some staff that the policy is not reflective of their programming and operating interests, thereby weakening its impact, especially since inter-divisional collaboration is one of its primary objectives.

Moreover, the three-year funding strategy accompanying the policy is not sufficient for the City of Toronto to acquire entire school properties independently, as the difficulty in acquiring a recent property for redevelopment into a community hub has demonstrated to staff. Although the adoption of the policy has provided benefits, including learning opportunities about the reality of

surplus school acquisition and increased collaboration between municipal and school board staff, it is an ad hoc policy that does not serve city-wide interests.

Conclusion and Recommendations

City of Toronto staff is to be commended for attempting to improve Toronto's ability to acquire school properties by making the series of procedural and policy amendments that culminated in the adoption of the acquisition framework in 2010. An interim assessment of this policy demonstrates that it has achieved mixed results. As the trend of school consolidation and closures is expected to continue, the topic requires more scholarly attention, especially from planning and real estate perspectives. Further research should examine how other North American municipalities are managing school closures and which policies contribute to municipalities retaining greater control over the future use of surplus school properties. Municipal staff would also find it useful to review successful examples of municipalities redeveloping school sites, especially those involving complicated real estate transactions and multi-sector partnerships.

Based on research results, I propose the following four recommendations for the City of Toronto:

Recommendation #1: Develop a corporate acquisition policy that incorporates a comprehensive set of acquisition criteria supported by a robust and feasible funding strategy.

Recommendation #2: Continue to pursue innovative real estate transactions, including public-private partnerships and public sector-community sector initiatives that leverage municipal funding.

Recommendation #3: Continue collaborating with TDSB/TLC staff and formalize this working relationship by creating a Liaison Committee and Memorandum of Understanding like the City of Hamilton.

Recommendation #4: Improve internal communication and collaboration among municipal staff.