UNIVERSITY OF
TORONTO
4 CORNERS
STRATEGY

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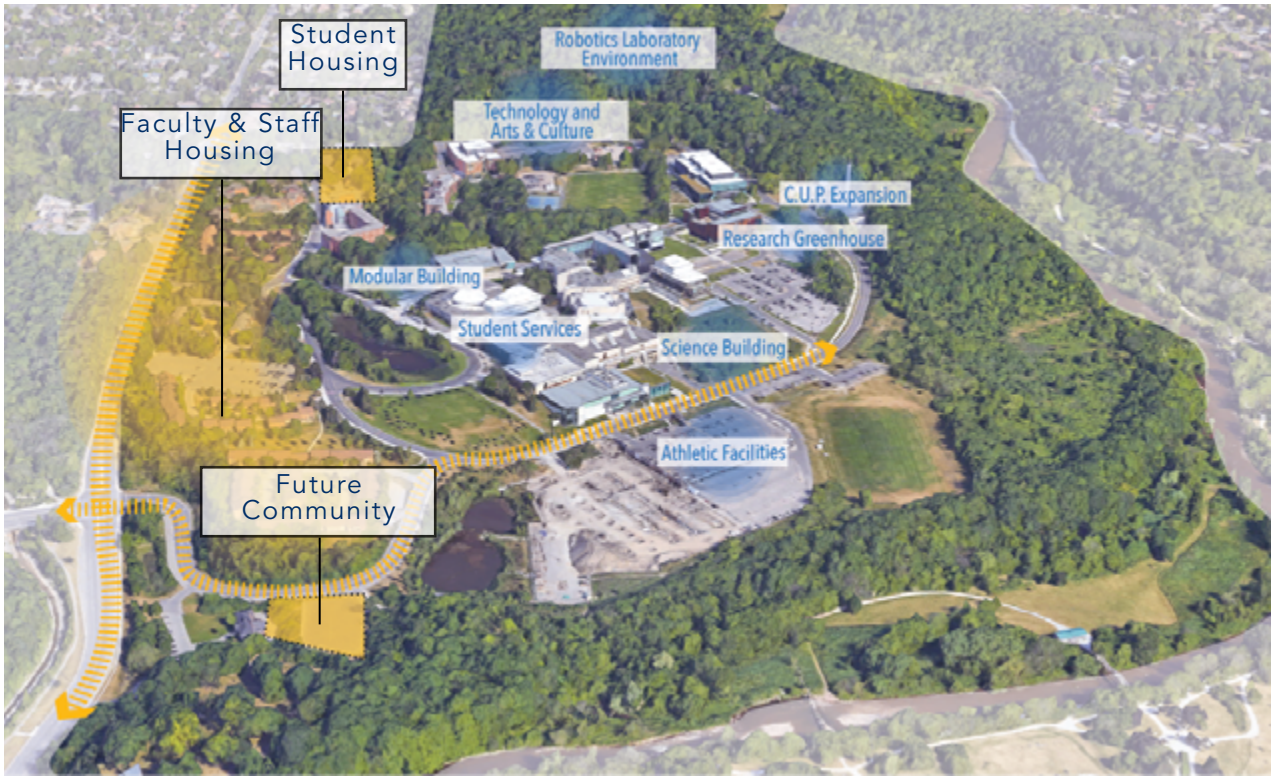
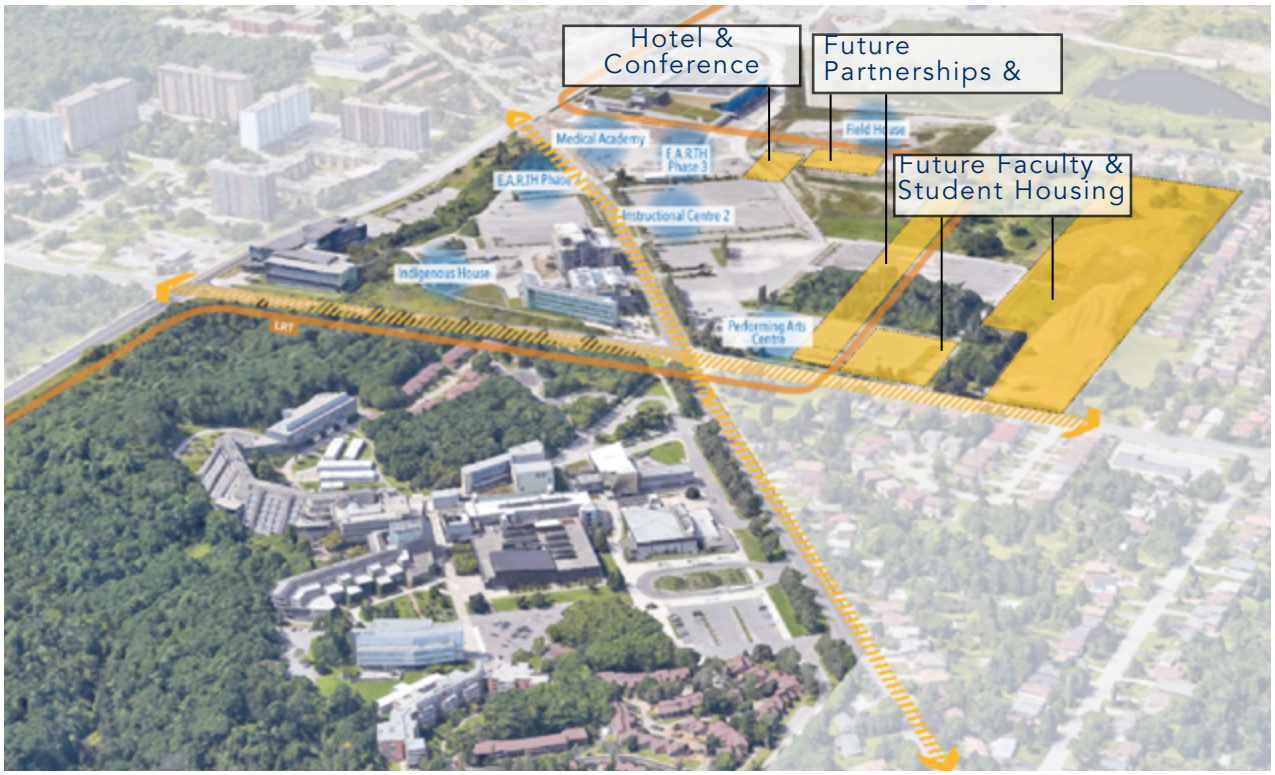
Prepared by U3 Advisors in November 2018 on behalf of the University of Toronto

FOUR CORNERS STRATEGY

MISSISSAUGA CAMPUS



SCARBOROUGH CAMPUS



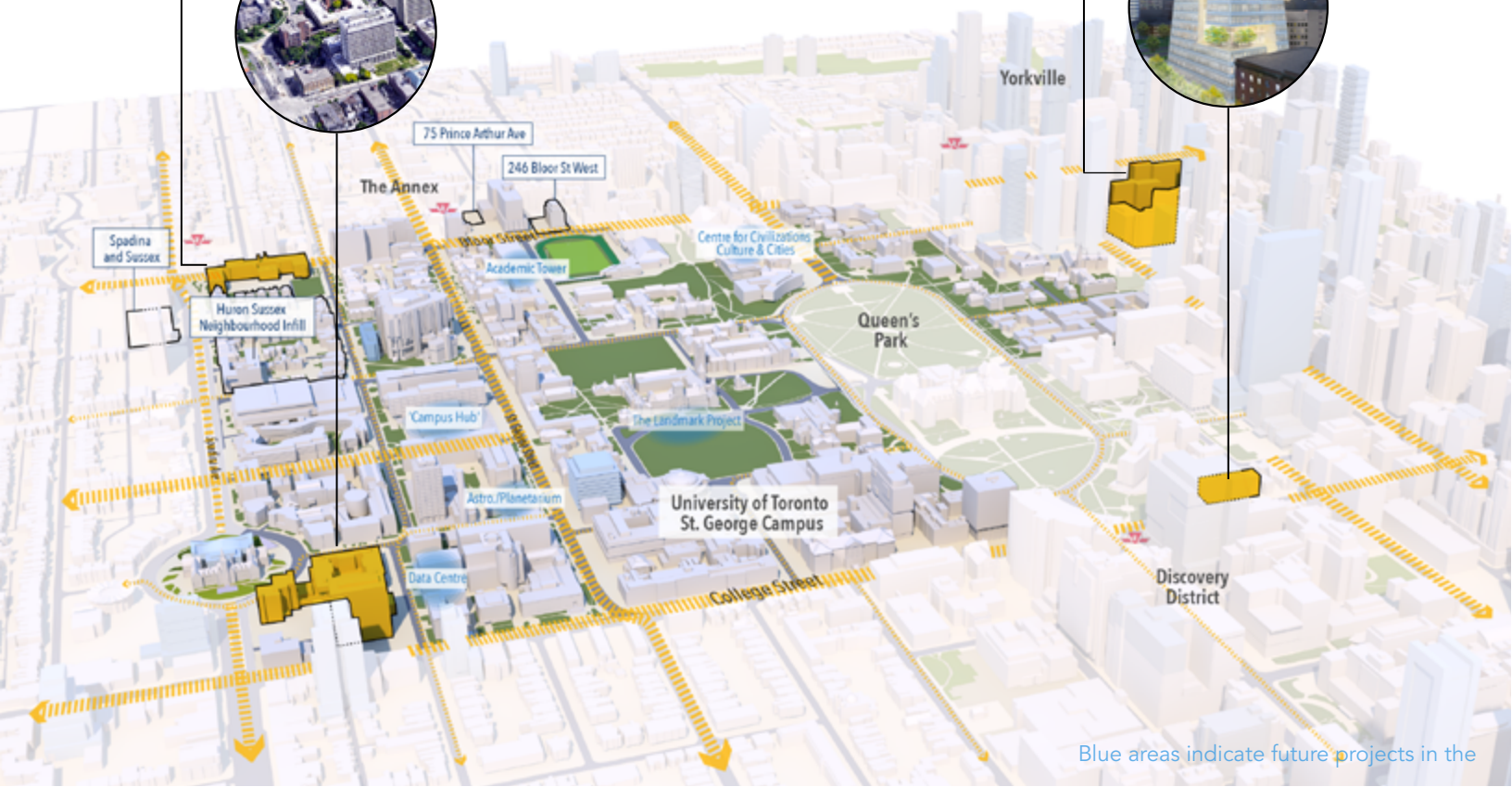
ST. GEORGE CAMPUS

Site 1

730 Yonge & 35 Charles

Schwartz-Reisman Innovation Centre

CAMH



Blue areas indicate future projects in the

OVERVIEW

The University of Toronto's three campuses contain a concentration of the country's foremost educational, cultural, research, medical and government institutions. These institutions are of global significance and are situated amongst a rich concentration of significant heritage resources, dynamic contemporary architecture, and a wealth of publicly accessible open spaces and distinctive landscapes. At the St. George Campus, the University is one of the largest landowners in downtown Toronto with over 208 buildings, on 146 acres (59 hectares) of land, and with 14,920,000 gross square feet of facilities in Toronto's downtown core. The University of Toronto Scarborough comprises 37 buildings across 303 acres (122.5 hectares), totalling 1,733,000 gross square feet. The University of Toronto Mississauga consists of 51 buildings on 221 acres (89.4 hectares) and a total of 2,122,000 gross square feet. The University also holds lands proximate to the three campuses, providing additional space and opportunities. Together, these collections of uses, buildings and landscapes create special and distinct areas of local, city-wide, and global importance.

Property values in the Greater Toronto area have escalated significantly over the last several years, including properties owned by the University of Toronto. The University recognizes the opportunity for realizing potential new sources of revenue from optimizing the development of readily available University-owned properties. Over the last several years, with a lens towards efficient use of the University's real estate assets, the University has identified some of the more obvious potential building sites and has developed plans for some of these properties. These plans focus heavily on supporting ancillary operations.

Like other North American universities, the University of Toronto operates ancillary services to provide various necessities, amenities and conveniences to its student, faculty, and staff. These include housing, food services, retail, and transportation services, all of which have real estate implications, and all of which generate income. The mandate of the University's ancillary operations is to support the academic work of the institution and its

community members, without subsidy from the institution, and ideally to supply net revenues back to the institution for the benefit of the academic mission.

As UofT further considers opportunities to leverage its real estate portfolio and advance project planning and execution across the institution, it would benefit from a consistent approach to analyzing real estate opportunities and development options. The Strategic Framework presented in this report serves to guide future discussions and decision-making regarding the advancement of real estate projects primarily related to ancillary operations. Through a set of goals, objectives, and strategies, the Framework provides UofT and its stakeholders with a clear and consistent approach to evaluate a wide range of projects and opportunities. The Framework does not address the goals, objectives, and strategies for academic projects, nor is it meant to be a campus master plan, capital plan, or funding plan.

Report Background

This Strategic Framework presented in this report is the result of a planning exercise begun in October 2017 under the direction of a Steering Committee of key University administrators (see chart below), and consultation with key University stakeholders - The Office of the Governing Council Business Board; The University of Toronto Real Estate Advisory Committee; and, The Office of the Vice-President & Provost, tri-campus Principals, Deans, Academic Directors, and Chairs Committee (PDAD&C) and Chief Administrative Officers (CAOs). In addition to this Framework, the exercise included an analysis of several sites proximate to the St. George Campus, analysis of UofT retail leases, the development of a capital and phasing model to inform the sequencing of projects at these sites and others, and a best practices study of peer institutions. Similar analyses for sites proximate to the University of Toronto Scarborough and University of Toronto Mississauga campuses will follow in due course.

UNIVERSITY OF TORONTO
Steering Committee

- Vice-President, University Operations: **Scott Mabury**
- Chief Financial Officer: **Sheila Brown**
- Assistant Vice President, University Planning: **Christine Burke**
- Assistant Vice President, Ancillary Services: **Anne MacDonald**
- Director, Real Estate: **Josh Mitchell**
- Senior Strategist, Operational Initiatives: **Sally Garner**
- Chief Operating Officer, Property Services & Sustainability: **Ron Saporta**
- Assistant Vice President, Planning & Budget Office: **Trevor Rodgers**

UofT Strategic Planning

This Framework is an extension of the University's Towards 2030 Plan and President Meric Gertler's Three Priorities for the University of Toronto, building on key concepts expressed in each of those documents.

Towards 2030

Towards 2030 asked how the University could build on its achievements and continue to excel in the varied dimensions of its mission. It also framed a series of questions about the University's long-term strategic directions. Opportunities to advance University goals through the strategic use of real estate emerge as a theme throughout the document, beginning with the importance of real estate as a critical element to the full university experience.

> "Future capital plans must enhance the academic and non-academic elements of our students' experiences…Students are ultimately a university's raison d'etre. [As such] every university [must] pay close attention to the characteristics and academic quality of its student populations along with their experiences, inside and outside the institution's classrooms."

The importance of attainable housing is evident as a component of multiple concepts expressed in Towards 2030, from reducing high student-to-faculty ratios, where:

> "The quality of the [student] experience demands efforts to add faculty and staff, and increase the number of small classes", and the University recognizes that it must "recruit substantial numbers of new faculty to provide the appropriate supervisory capacity for graduate growth and reduce student-faculty ratios."

… to accommodating the growth in international students, who, "are more likely to seek institutional housing", necessitating "careful planning to ensure that a stock of [appropriate] suites is developed."

Finally, real estate is presented as an important element of efforts to diversify the University's revenue streams, both directly:

> "The University's current standing can be sustained or enhanced only with the optimization of multiple revenue streams… A straightforward option is more creative use of real estate holdings to generate revenues for academic purposes."

... and indirectly as a tool to catalyze industry partnerships by designing, developing, and leasing spaces that deliberately promote these relationships:

> "Compared to peers, our University's proportion of funding derived from industry-sponsored research is low and our partnerships with industry in educational initiatives are relatively few in number… Commercialization of University research, appropriately scaled up, could become a major revenue source with both social and academic benefits."

Three Priorities

Accepting the goals of Towards 2030 as its starting point, President Gertler's Three Priorities process furthered the conversation of how to achieve these goals in light of new opportunities and challenges. Real estate again emerged as an asset to advance all three priorities, particularly the first - "Leveraging our urban location(s) more fully, for the mutual benefit of University and City." This priority recognizes that UofT benefits significantly from the locations of its campuses in the downtown and Greater Toronto Area, a global, dynamic city and region with immense diversity and opportunity, and that UofT's future will continue to be closely intertwined with that of the region. In developing strategies for this priority, the President not only proposes strategically connecting and elevating urban research, experiential learning, outreach, and partnerships across the region, but also highlights the University's role and obligations as a "city builder":

> "Our current, planned, and future building activity presents us with an opportunity to enhance the quality of the built environment."

This is a central theme of the Framework, as the University's real estate decisions will continue to have major implications for the built environment.

Advisory Group

Finally, it is important to note that this Framework exercise is running concurrent with the work of a University Advisory Group that is more broadly examining alternative funding sources for the University. There is overlapping representation between the Advisory Group and the Real Estate Framework Steering Committee that aligns both processes. The Advisory Group's mandate is to:

- Articulate a set of principles, aligned with the University of Toronto's mission and values, to guide recommendations regarding alternative funding sources;
- Develop an understanding of the regulatory environment for publicly assisted universities in the province of Ontario;
- Consider core assets of the University that can be leveraged to generate new revenue streams;
- Examine a wide set of options for alternative funding sources through consideration of examples from the higher education sectors and other sectors;
- Develop a consultation and community engagement process to seek input on options; and
- Recommend a limited set of options and strategies for diversifying funding sources.

STRATEGIC FRAMEWORK

The report is organized through a framework of Goals, Objectives, Strategies, and Tactics. This approach helps to formulate a clear, cohesive, and accountable path to action.

Goals describe the big-picture, primary end results envisioned. Objectives are specific and often measurable steps taken and outcomes achieved in support of the goals. Strategies offer the how, the specific methods the institution can use to achieve objectives. Finally, tactics represent the specific actions or tools to execute one or more strategies. The details of a given tactic are typically unique to the circumstances of a project, reflected in decisions about a project's program, the structure of a third-party partnership, the terms of a strategic acquisition, or the use of a particular source of funding.

Goals, objectives, strategies, and tactics are all closely aligned and interdependent; understanding the relationships and differences between them can better focus UofT's resources and deploy them effectively.

This report articulates the double-bottom line goals that should be sought in any UofT real estate transaction, a set of objectives that support those two overarching goals, and strategies that can be deployed to achieve those objectives. The final section of the report shows three case studies of "Tactics-in-Action", highlighting recent examples of UofT executing strategies that advance the double-bottom line goals and supporting objectives, based on individual project circumstances and project-specific planning.

DOUBLE-BOTTOM LINE GOALS

Facilitate amenity uses that support the academic mission

Property along campus edges offer critical opportunities to provide services and amenities in support of UofT's academic mission, whether by improving the quality of life to help attract and retain top students and faculty, or by strengthening the city and region with which the University is closely interdependent. Moreover, thoughtful planning and design of such uses can create the sense of porosity along the campus edge, in which the University is open to and welcomes engagement with the city and community.

These amenity uses and services range from:

Housing for faculty, staff, graduate students, and/or international students

Retail uses serving the campus community's needs and contributing to a vibrant urban environment

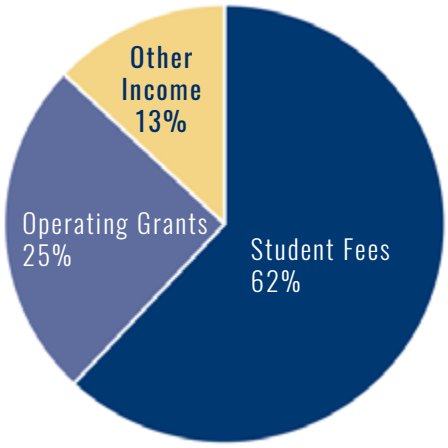
Innovation space that supports the University's research and commercialization efforts

Open space for the public that contributes to local sense of place and quality of life

Community space for the campus and broader community, such as gathering and meetings spaces

Grow "other" revenue while maintaining long-term real estate interests

Today, the University is heavily dependent on student fees and government and donor funding, some of which stipulate significant use restrictions. Diversifying UofT's revenue streams with other, complementary sources will provide the University with increased financial visibility, flexibility, and security. Revenue diversification can also permit more targeted planning around long-term institutional goals, and improved ability to react to changing conditions. With diverse land holdings, stable finances, and the capacity to affordably self-finance development projects, UofT is well-positioned to pursue revenue-generating strategic real estate opportunities for the benefit of the academic mission.



In 2018-19, 87% of UofT's total operating revenue is projected to be derived from government operating grants and student fees, both tied directly to students. Only 13% comes from "other income" such as investment income, endowment revenue and indirect costs of research.

Source: Presentation of Budget Report 2018-19 to University of Toronto Business Board, March 21, 2018

OBJECTIVES

Supporting objectives, described in the following section, support each of the goals:

SUPPORTING OBJECTIVES

- Improve the amenities and environment on and at the campus edge
- Grow portfolio of quality, attainable housing
- Promote innovation and commercialization by providing suitable space
- Support University engagement in civic goals

SUPPORTING OBJECTIVES

- Generate strong financial returns while managing risk
- Plan for and respond to current and future space needs

AFFORDABLE
STRUCTURES
THAT WITHSTAND
EARTHQUAKES?
TORONTO
BOUNDLESS

OBJECTIVES

IMPROVE THE AMENITIES AND ENVIRONMENT ON AND AT THE CAMPUS EDGE

UofT competes with top-tier global institutions not only in academics but also in the quality of the overall university experience. Students, faculty, and staff are more likely to come, stay, engage, and connect at UofT if they experience an engaging environment that provides a high quality of life. The campus edge – where the university community transitions between the academic core and the broader city - offers key opportunities to provide that vibrant environment, with the desirable amenities, community and environmental infrastructure, and sense of place and identity expected of world-class university districts.

GUIDING PRINCIPLES

- Consider uses that meet the non-academic needs of faculty, staff, and students, including retail, food, and other non-residential amenity spaces.
- Consider also the urban qualities that faculty, staff, and students enjoy and desire. Development can substantially impact the quality of the overall environment, by drawing increased pedestrian street traffic, impacting the scale of the built environment, and changing the patterns of use of public space, all of which affect the University community's experience of the campus and campus edge.
- Continue to partner with the municipality to affect positive improvements to the public realm, and seek opportunities to increase such partnerships. In many cases the municipality, not the University, controls the public realm on campus peripheries, such as streets and sidewalks. This is particularly true for the St. George campus, a large majority of which is on the public grid. Nevertheless, the quality of these public spaces, as seen in street furniture, lighting, landscaping, and wayfinding, can have a substantial impact on perceptions of campus quality, safety, and desirability.
- The campus edge presents an inherent tension between reinforcing a university identity while also integrating with the broader city. UofT should embrace its institutional presence and uses when necessary while also complementing the citywide context.

PROGRAMMATIC

- Pursue mixed-use developments when appropriate, to meet a variety of objectives within a single site and to activate a site and its street presence at multiple times throughout the day.
- Combine University uses at the campus edge with ground-level public and semi-public spaces that provide a variety of formal and informal venues for the UofT community and neighbors. These may include programmed civic spaces, retail and food establishments, study spaces, collaborative work spaces, etc.
- In ground-level spaces, consider strategic investments in retail and food spaces, for example, by providing incentives to attract desirable tenants or to improve façade and interiors design and merchandising. Maintain active relationships with retail tenants to understand trends and to meet the evolving needs of the University community.

PARTNERSHIPS

- Consider strategic investments or partnerships with the municipality to identify targeted strategies for public areas at the campus edge.

OBJECTIVES

GROW PORTFOLIO OF QUALITY, ATTAINABLE HOUSING

Elite academic institutions around the world compete to attract and retain top-tier graduate students, faculty, and staff. Well-located, affordable housing with desirable amenities can serve as a differentiator and a competitive advantage. Housing owned or managed by a university can reduce housing expenses; ensure adequate supply near campus; provide appropriate amenities, common spaces, and programming; offer increased flexibility in lease terms compared to the private market; and reduce search and transition costs. The University can offer these benefits to aid the efforts of deans and chairs in faculty attraction and retention.

"The role of the University as a landlord is important in providing a sense of security in tenure and comfort that the school has the best interests of its residents at heart."

Housing Strategy for The Huron Sussex and Charles St. Communities

GUIDING PRINCIPLES

- Attainable housing consists of housing that is proximate to campus, is priced to support the University's academic mission, and is easy for university stakeholders to access due to the University playing an active marketing and management role.
- Evaluate real estate opportunities at the campus edge in light of the University's housing programs and guidelines that target the needs of faculty, staff, and students.
- Recognize that among these populations, each has distinct sub-groups (e.g. new faculty, families, international students) with unique needs with respect to price, unit type, and building amenities.
- Successful housing benefits from community engagement and interaction, achieved in large part through shared, flexible common spaces and resident-driven programming.

PROGRAMMATIC

- Periodically survey students, faculty, and staff to measure satisfaction and quantify demand for housing based on unit type, amenities, and price point.
- Evaluate cost-effective opportunities to modernize existing housing to improve the desirability of units.
- Use the University's housing strategy as a tool to manage supply and demand for University-managed housing. As examples, these could include modifications to eligibility and rental tenure policies.
- Consider an assortment of techniques to maintain an inventory of affordable ownership housing, such as the use of long-term ground leases, or purchase and mortgage assistance programs.

PARTNERSHIPS

- Consider self-executing the development of new housing when design, affordability, and programmatic mission are paramount.

OBJECTIVES

GENERATE STRONG FINANCIAL RETURNS WHILE MANAGING RISK

Real estate as an asset class offers UofT an opportunity for revenue diversification and long term asset appreciation. Private real estate investments have the potential to generate financial returns equal to or greater than historical endowment returns. With rising rents and property values in Toronto's downtown core and the Greater Toronto area generally, UofT is well-positioned to generate strong financial returns from real estate, given its position as a significant land owner.

UofT aspires to generate income from ancillary real-estate operations that is equal to or greater than the returns contributed annually by the endowment to the Operating Fund, currently estimated at $60 million.

GUIDING PRINCIPLES

- Approach campus edge real estate decisions with a long-term investment horizon that considers both annual returns and asset appreciation.
- Evaluate potential returns and risks at each project stage (acquisition, public approvals, construction, leasing, management), weighing in-house university capabilities, resources, and risk tolerance against the value-add expertise, resources, and risk pricing of prospective third-party partners.
- Exercise appropriate prudence and due diligence in the deployment of any monetary resources.
- UofT will take an active management role in all third party partnerships in order to 1) protect UofT's mission interests (e.g. faculty housing or science innovation), 2) Enhance UofT's campus environment, and 3) manage UofT's risk in municipal approvals, design, construction, and asset operations.

PLANNING

- Conduct periodic real estate and facilities capital planning to ensure that UofT benefits from the most cost-effective sources of capital. Long-term capital planning and allocation of University financial resources can ensure the University is using its resources effectively, help avoid the need to pay third-party financing premiums, and ensure that UofT can take advantage of attractive real estate investment opportunities.
- When appropriate, include project components that can command market-rate rents.
- Strive to structure commercial real estate transactions in a tax-efficient manner.

CAPACITY

- Consider strategic acquisition opportunities when they arise, and have a decision-making structure in place that allows opportunities to be acted on in a timely fashion.
- Hire the human resources, and identify financial resources for an operating budget of the expanded staff, necessary to expertly advocate for UofT's position in complex and fast moving real estate transactions during all phases of development (pre-development, construction, lease-up, and ongoing operations).
- Consider growing the capacity of in-house leasing and property management functions to provide UofT with greater control of its real estate, thereby reducing third party performance risk and achieving economies of scale by spreading UofT real estate staff resources across the entire portfolio.

DEVELOPMENT PARTNERSHIPS

- Self-develop or use a non-equity, fee-based developer when internal capital is sufficient, when UofT can earn a risk-adjusted return, or when a third-party partner does not contribute necessary skills, assets, experience, or expertise.
- Conversely, consider joint venture partnership structures 1) to gain specific expertise that UofT may not possess internally, 2) to share risk/manage onerous capital requirements, or 3) to achieve appropriate financial returns.
- Aim to partner with developers whose values are mission-aligned, particularly those that demonstrate evidence of successful work with other institutions.
- Consider the selective use of ground leases on university land in instances where the University 1) is not ready to develop the property or has higher development priorities, 2) in locations where the University does not maintain a strategic interest, or 3) where the market opportunity does not yet justify a commitment of UofT capital.

OBJECTIVES

PLAN FOR AND RESPOND TO CURRENT AND FUTURE SPACE NEEDS

All three UofT campuses have ongoing space deficits per the Council of Ontario Universities space guidelines, and will continue to face expansion pressures for the foreseeable future. Increasing the amount and variety of academic learning spaces, along with residential space for students and faculty, is critical to the University's plans to enroll more graduate students, hire more faculty to reduce its student-faculty ratio, and generally increase the space per student across all three campuses. In addition, UofT seeks to upgrade existing facilities to meet new design and performance standards and will therefore need swing/decanting space during construction. UofT can address these prospective real estate needs by identifying new sites and through the strategic redevelopment or renewal of existing facilities.

GUIDING PRINCIPLES

- Avoid selling UofT land, especially when adjacent to the academic cores
- Pursue strategic acquisitions where opportunities exist to enhance the academic mission or to support the University community with ancillary services (e.g. research, innovation, residential, lodging, or retail/food) particularly when those opportunities are contiguous with existing University real estate holdings.
- Design new space to be flexible and to have the capacity to adapt to changing program requirements, as UofT's space utilization may change over time. As UofT looks increasingly towards inter-disciplinary collaboration, the design of facilities should also accommodate and foster interaction across departments, as well as across outside partners, including industry and government.
- Maintain the ability to react nimbly and evaluate development opportunities as they arise.

PROGRAMMATIC

- Conduct detailed evaluations of key targeted properties identified as priorities, to be prepared to respond quickly if the opportunity to acquire or partner on them arises.
- Periodically scan real estate and land assets adjacent to University campuses to identify potential strategic acquisition targets (e.g. CAMH) based on location, price, development capacity, and complexity (e.g. heritage considerations, municipal constraints, infrastructure requirements).
- Consider opportunities to reconfigure and adapt existing facilities that are either underutilized or no longer meet the program needs of an evolving academy.
- Consider leasing property to meet short-term space needs when the University needs to provide space quickly and flexibly.

OBJECTIVES

PROMOTE INNOVATION & COMMERCIALIZATION BY PROVIDING SUITABLE SPACE

Universities globally are pursuing opportunities to increase innovation, tech transfer, and commercialization, realizing academic and financial benefits by promoting their research, connecting faculty to industry, and generating additional sources of revenue. Near- and on-campus real estate plays a critical role in these efforts, allowing space for faculty and students to seamlessly engage in practice, research and teaching activities. The institutional context surrounding the St. George campus provides opportunities for linkages and synergies in programming and research, and supports collaboration among and between institutional partners.

GUIDING PRINCIPLES

- Consider the growing needs of UofT's research and innovation enterprise in future real estate transactions. In particular, UofT should consider innovation across a variety of disciplines and clusters in STEAM fields (Science, Technology, Engineering, Arts, and Mathematics).
- Research and innovation thrive in a variety of space typologies and lease structures. Evaluate prospective commercial development projects according to their ability to meet the needs of specific disciplines and companies. These unique needs may be delineated by size of company, life cycle stage of growth, floor plates, lab / equipment / infrastructure requirements, co-location preferences, and adjacencies to other UofT programs and facilities, where appropriate.
- Place companies emerging from UofT adjacent to incubation and acceleration services, although those services do not necessarily need to be provided by UofT directly.
- Provide and plan for future growth, expansion, and change while also maintaining flexibility and adaptability.
- Use income-generating real estate strategically to support non-income generating uses.

PROGRAMMATIC

- Leverage UofT's proximity to industry and institutional clusters, such as its adjacency to the Discovery District on the southern edge of the St. George campus.
- Pursue additional opportunities similar to MaRS, in which the University leverages its strengths and past investments in research and technology, to capture value in its real estate portfolio.
- Adopt partnership and lease models flexible enough to accommodate companies in different industries and at different stages of growth (e.g. pre-revenue, Series A).
- Co-locate larger, more mature companies alongside pre-revenue companies emerging from UofT, where appropriate, to provide opportunities to cross-subsidize rent and to secure third-party capital sources.
- Consider opportunities outside the urban core where there are synergies with local contexts to accommodate UofT uses that may present environmental, logistical, and infrastructure requirements, that cannot be easily or affordably accommodated in a dense urban environment (e.g. advanced manufacturing, prototyping, etc.).
- Continue to evaluate opportunities across different disciplines.

OBJECTIVES

SUPPORT UNIVERSITY ENGAGEMENT IN CIVIC GOALS

As a public-serving institution, UofT has a responsibility to serve not only its students and faculty, but also to support the broader public, including the city and region in which it resides. This is particularly clear along the campus edge, where the institution and the city are closely intertwined. Here, the University's investments and developments offer opportunities to address citywide needs while also fulfilling institutional objectives. The University's resources – including its people, its land and investments, and its intellectual and creative energy - are a unique asset to the city and region. Through strategic development of the University's real estate assets, UofT can help channel these resources for significant local and regional impact.

GUIDING PRINCIPLES

- Seek to align the University's campus edge development with the city's overarching economic, civic, cultural, and planning goals and priorities.
- Apply appropriate and contextual campus planning and real estate development principles to strengthen the urban fabric, through both University development and investments in the public realm.
- Maintain active engagement with city, community, and neighborhood groups as an ongoing discipline, so that the University not only conducts outreach when critical decisions are at stake, but also fosters partnerships and understands local perspectives and needs as they evolve over time.
- Strive to balance new development, that allows for continued growth, innovation and excellence in support of the academic mission, with the conservation of heritage, the needs of the public realm network, and varying local contexts within and surrounding the campus.
- As a global leader among higher education institutions, demonstrate leadership in sustainable, resilient, and accessible design.
- Activate the streetscape with engaging ground-level uses that generate foot traffic and create visual interest for pedestrians.
- Continue the legacy of demonstrated leadership and excellence in heritage conservation and adaptive reuse.
- Recognize that University investments in the public realm, from infrastructure to public space and public amenities, bring significant value to the city and the community. In addition to enhancing the quality of life and vitality of the streetscape, University-created public spaces offer opportunities for the broader community to meaningfully engage with the institution itself.

"Universities impart dynamism and resilience to the economies of urban regions, helping their host cities to reinvent themselves over time. At the same time, universities are tremendously important stabilizing forces on urban economies, and on the local neighbourhoods they inhabit. Universities like the University of Toronto connect their host regions to the world, and vice versa. UofT gains as much from its association with Toronto as it contributes."

Meric Gertler

PARTNERSHIPS

- Identify and structure relationships with the city in a systematic manner, so that the University and the city can address city goals and university investments comprehensively, including the University's commitments to infrastructure improvements, heritage conservation, sustainability, and economic development.

PROGRAMMATIC

- Identify opportunities in new developments where open space, public realm enhancements, programming, and amenities may be strategically impactful in supporting city and community goals and/or improving the public environment.
- Foster meaningful engagement strategies in general, and also in particular for significant and transformative development and investments to the public realm.
- Leverage the University's arts & culture assets to activate the campus edge, such as through public art, and bring increased transparency and public engagement to arts & culture institutions already located along the edge.

TACTICS-IN-ACTION

The following three case studies are exemplary of the evolution of the University's sophistication in using real estate as a strategic asset that can simultaneously support the academic mission and diversify and grow the University's sources of income.

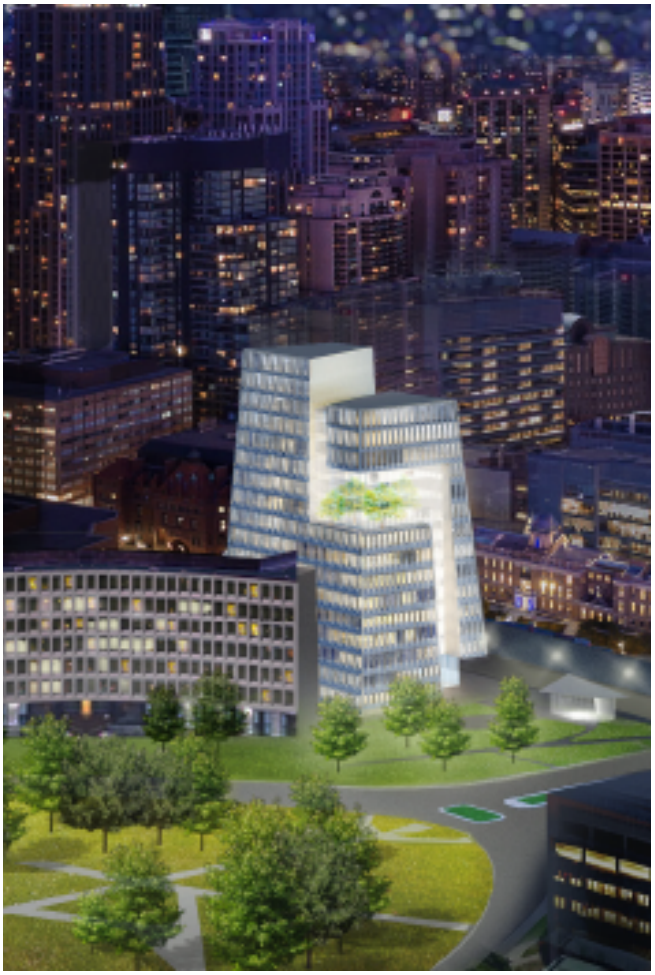
Spadina Sussex

UofT deployed several of the strategies articulated in this Framework in structuring a thoughtful and sophisticated partnership with a third-party developer on the Spadina Sussex Residence project. The partnership reflects both parties' ability to contribute unique and complementary assets and experience that will result in a better overall project financially, in the service of the University's academic mission, and in its contribution to the urban fabric.

Each party brought to the partnership parcels of land that, once consolidated, allowed the development of an optimal multi-component, mixed-use student residence project. Additionally, the third-party developer enhanced the project through their significant experience in residential housing development, additional financing capacity, and a highly-regarded reputation in the neighbourhood.

The program for Spadina Sussex will include student housing, community space, and market-rate ancillary retail. The student residence will be both owned and operated by the University. The resulting project will be attractive to and responsive to the needs of the UofT community, and at the same time will fit into the urban fabric on the St. George campus's western edge, contributing to Toronto's overall vibrancy.

Schwartz-Reisman Innovation Centre



The Schwartz Reisman Innovation Centre (SRIC) will be a major achievement for UofT in advancing innovation and the commercialization of research. Located directly across from Toronto's Discovery District, SRIC's programs will symbiotically benefit from industry adjacency and contribute to the District's rapidly expanding global role as a hub of innovation in life sciences and beyond.

Leveraging anticipated funding from the provincial and federal governments, as well as philanthropic funding, will allow UofT to develop and own the building without a third-party partner, reserving the flexibility to manage the project to best support the University's academic mission, and delivering to UofT the full benefit of the project's financial upside.

The substantial amount of new space for UofT start-ups that will be created at SRIC, particularly in Phase 2, highlights the expanding diversity of the University's real estate interests, and the associated need for additional resources to best support these efforts through the expansion of internal capacity.

MaRS

In acquiring an equity interest in the MaRS hub, UofT is able to advance innovation and commercialization objectives, and make a tactical, high-upside investment. The project satisfies University needs for additional academic lab, medical office, and innovation spaces. UofT was able to acquire its stake in the project at an advantageous price, entering the project at a stage where the University's involvement brought significant added value in its ability to leverage its physical adjacency and complementary research agenda. Arguably most importantly, the project enhances the University's civic role, anchoring the Discovery District and supporting Toronto's economy and expanding influence as a destination for cutting-edge industry and world-class talent.