

Excellence in Corporate Governance



CANADA LANDS COMPANY
SOCIÉTÉ IMMOBILIÈRE DU CANADA

Innovation • Value • Legacy
Innovation • Valeur • Héritage

Corporate Governance

- Value of excellence in governance
- Evolving needs - good overall health
- Need to assess on a regular basis
- Challenge the status quo
- Public versus private sector



Canada Lands Company

- **Arm's length, non-agent commercial Crown corporation**
- **No reliance on appropriations**
- **Mandated to optimize value from surplus strategic properties**



Fulfill Mandate By:

- Purchasing at fair market value
- Managing, improving and selling
- Building vibrant, sustainable communities



Track Record of Accomplishments

- \$266 million in distributions
- \$3.3 billion in private sector investment
- 14,000 housing units
- 12 million sq. ft. of non-residential space
- 26,000 people years of construction employment
- \$36 million in remediation



Corporate Social Responsibility

- **When reactivated: financial value creation**
- **Changing needs and priorities**
- **Support of government's social policy objectives**
- **Adoption of corporate social responsibility as a core value**



The Opportunities and Issues

- Gain thorough understanding
 - employees
 - variety of other stakeholders
 - audits and studies
- Tremendous potential
- Outwardly successful
- Internal distress
 - sustainability
 - expenditures



Action Plan

- Stakeholder buy-in
- Address shareholder interests
- Strategic planning
 - internal/external consultations
 - five year plan: business/strategic
- Plan, measure and manage performance
 - more than cashflow
 - balanced scorecard



Action Plan, *continued*

- **Business development**
 - capitalize on strengths: core competencies)
 - customer service orientation
- **Risk management**
 - identify and assess
 - eliminate
 - manage to mitigate
 - insure



Action Plan, *continued*

- Human resources
 - manage change
 - morale and motivation
 - structure and organization
 - programs and policies
 - performance management
 - engagement and communications
 - environment of calculated risk taking





Action Plan, *continued*

- Financial performance
- Governance practices
- Action plan
 - tangible
 - champions
 - deadlines





Engaging Stakeholders

- **Gain trust and support through:**
 - **openness**
 - **transparency**
 - **consultation**
- **Participants feel:**
 - **ideas considered**
 - **decision making process is fair**
 - **outcomes can be supported**



Stakeholder Interests and Buy-in

- Effective communications
- Information is disseminated
- Input is solicited and acted upon
- Expectations are managed and are realistic
- Buy-in and support is achieved



Canada Lands Company
Société immobilière du Canada

Canada



Strategic Planning

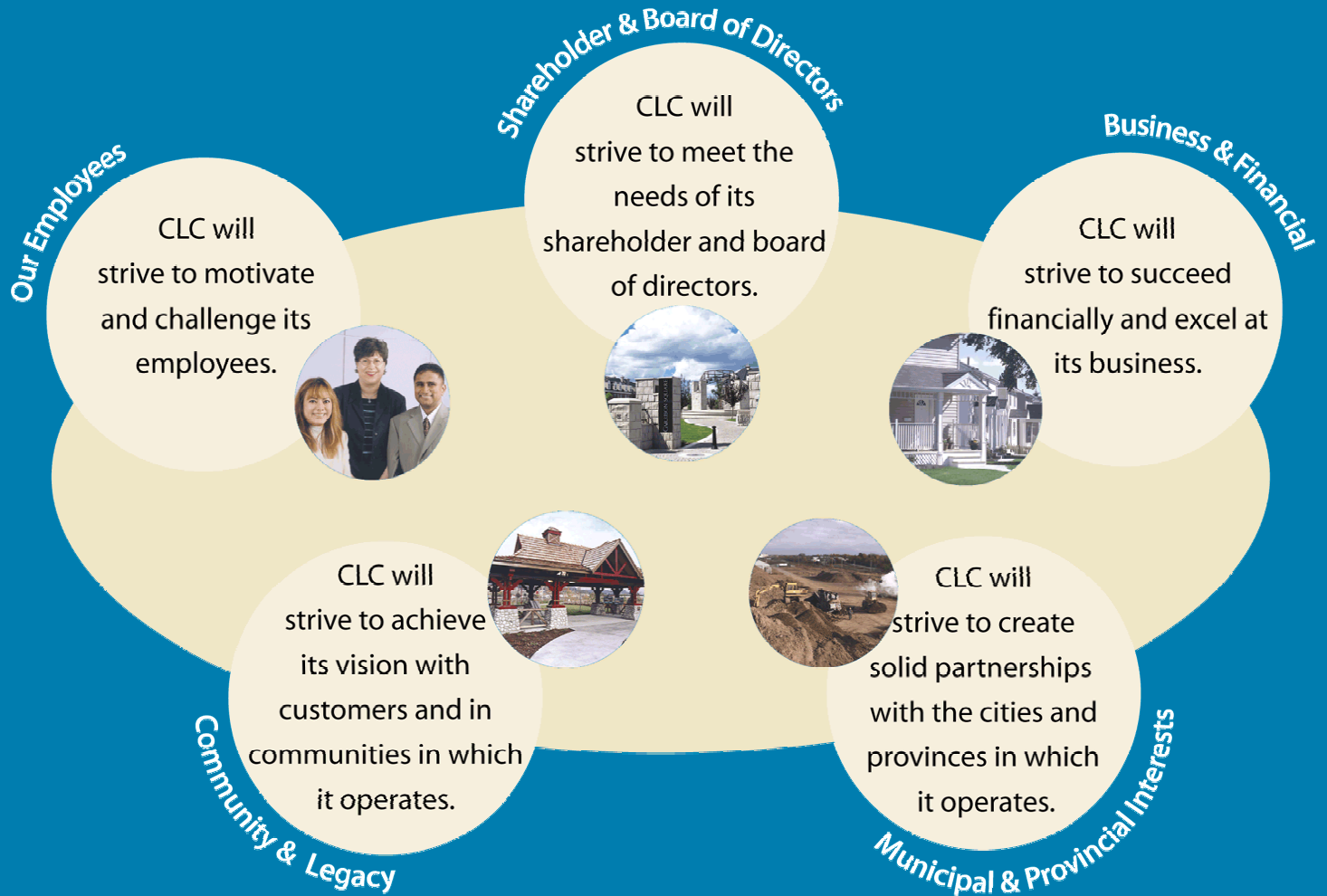
- Process
- Consultations
 - employees
 - municipal/provincial reps
 - custodians/customers
 - shareholder
- Joint board/management
- Five year plan



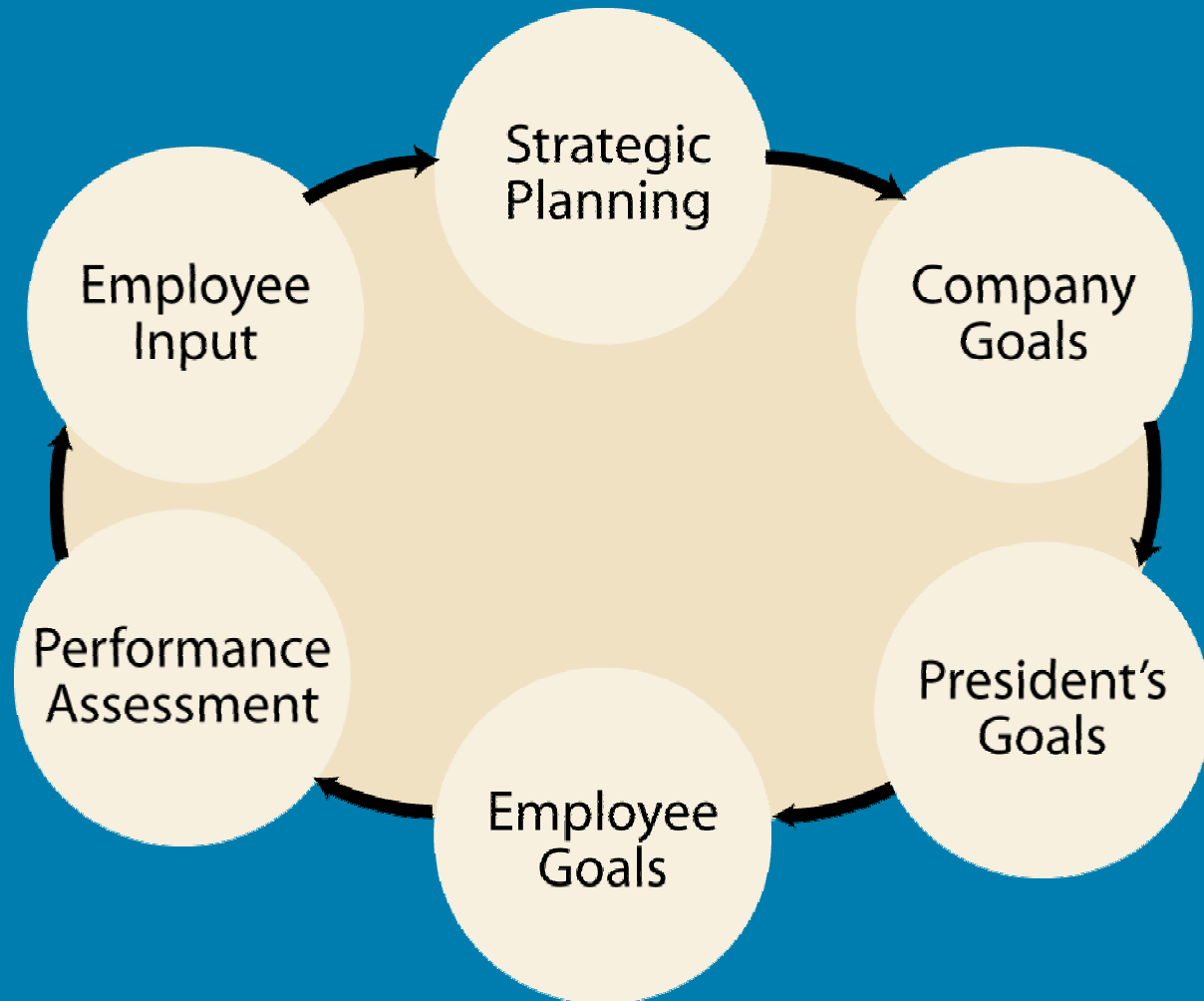
Balanced Scorecard



Balanced Scorecard



Goal Setting and Performance Management



Business Development

- Core competencies



CFB Griesbach, Edmonton



401 Burrard, Vancouver



Moncton Shops Remediation





277 Front Street, Toronto



Business Development

- **Government departments - important stakeholder groups**
 - have surplus assets
 - need to rationalize and relocate
 - Canada Lands has vested interest in freeing up surpluses
- **Customer service orientation**



Human Resources

- **Communications and consultation**
 - corporate plan
 - site visits
 - employee survey
- **Substantial reorganization**
- **Programs and policies**
- **Performance management**
- **Work environment - employer of choice**
- **Innovation and risk taking**



Financial Performance

- G &A reduction
- Investment in properties
- Market value indicator



Governance Practices

- Review of practices
- Phased in board evaluation
- Independent third party assessment
- Governance disclosure
- Pay policy disclosure



Results

- Stakeholder support and buy-in
- Strategic planning
- Balanced scorecard
 - second full year
 - defensible methods of measurement
 - independent assessment



Results, *continued*

- **Business development**
 - profile and champions
 - last year: two properties
 - this year: fourteen
 - opportunities for partnerships
- **Risk management**
 - internal process
 - audit findings
 - financial impacts



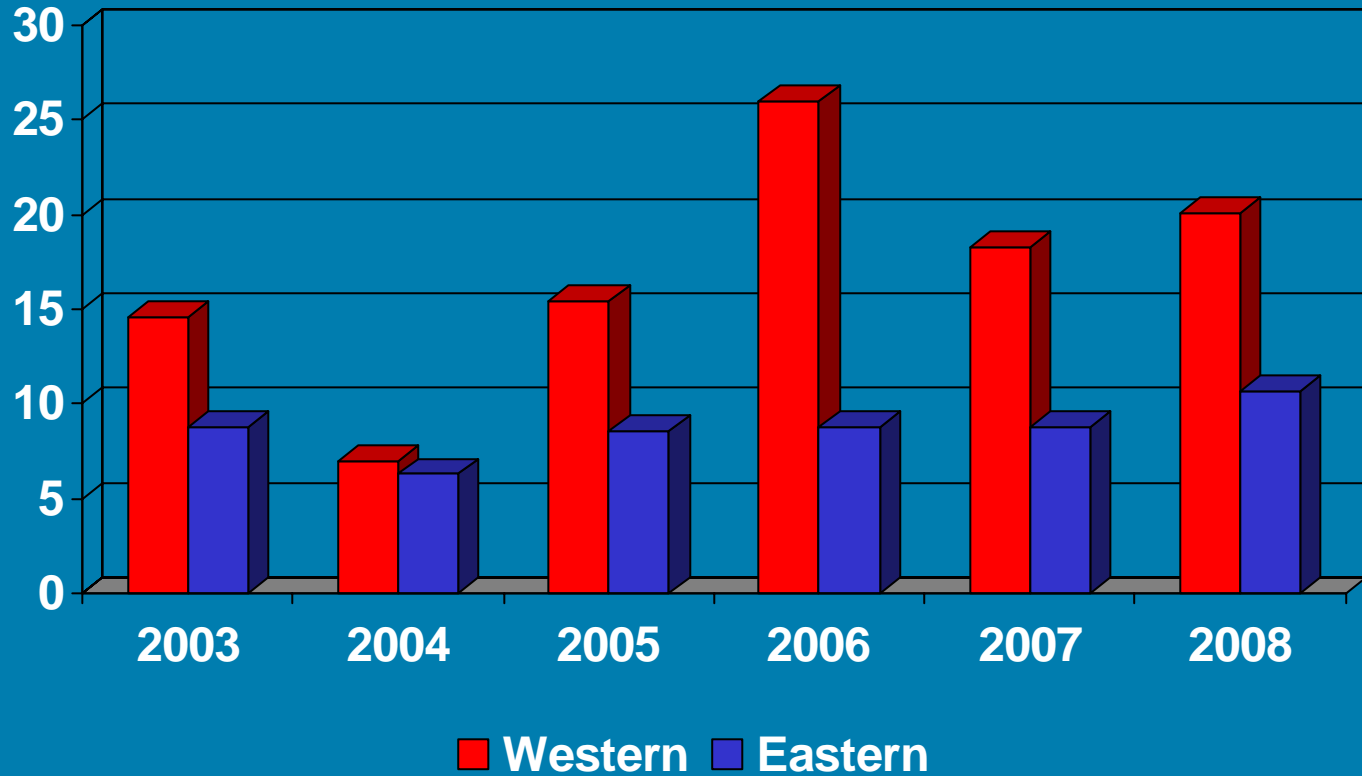
Results, *continued*

- Human resources
 - support goals and objectives
 - high morale
 - outstanding performance
- Financial performance
 - market value assessment tool
 - value creation per employee
 - G&A lowest since inception
- Sustainability of organization



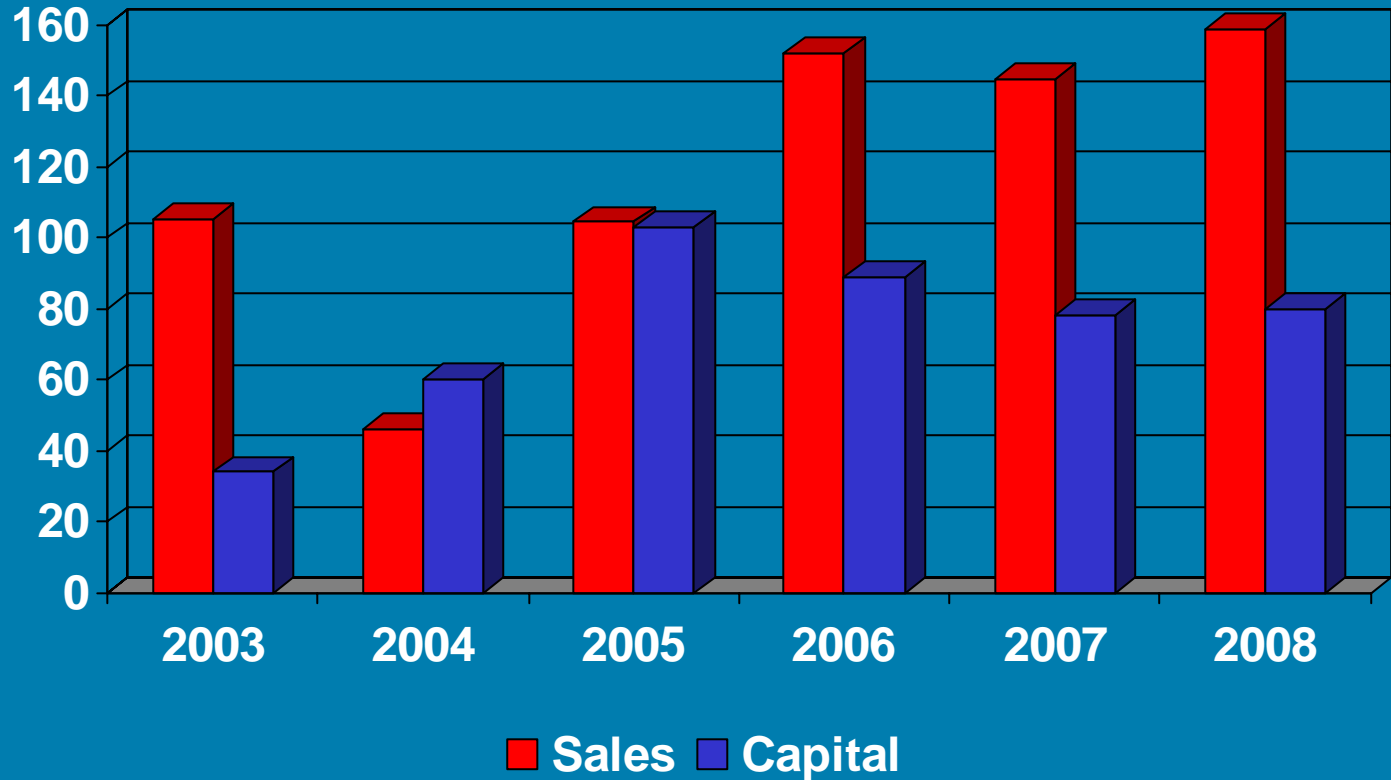
Net Income Before Tax By Region

\$ Millions



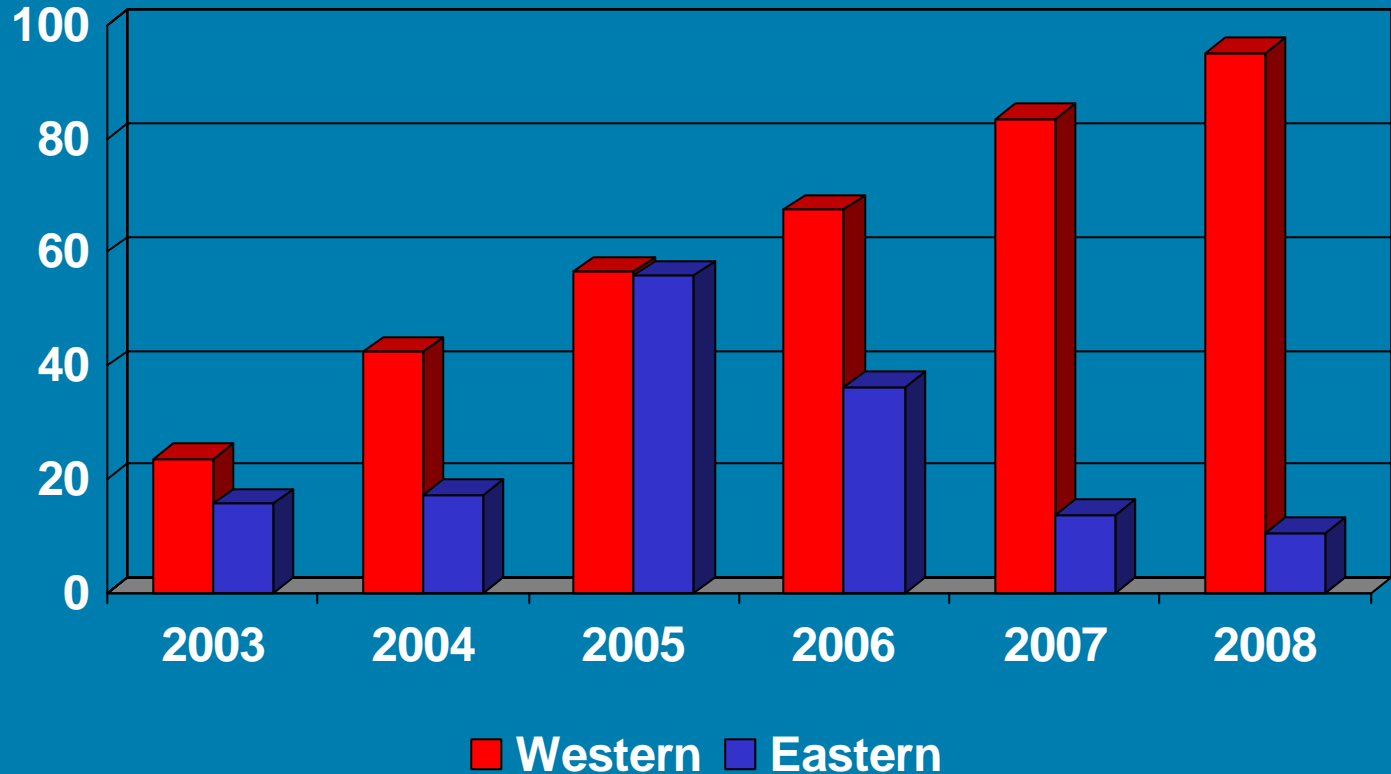
Sales and Capital Expenditures

\$ Millions



Capital Expenditures By Region

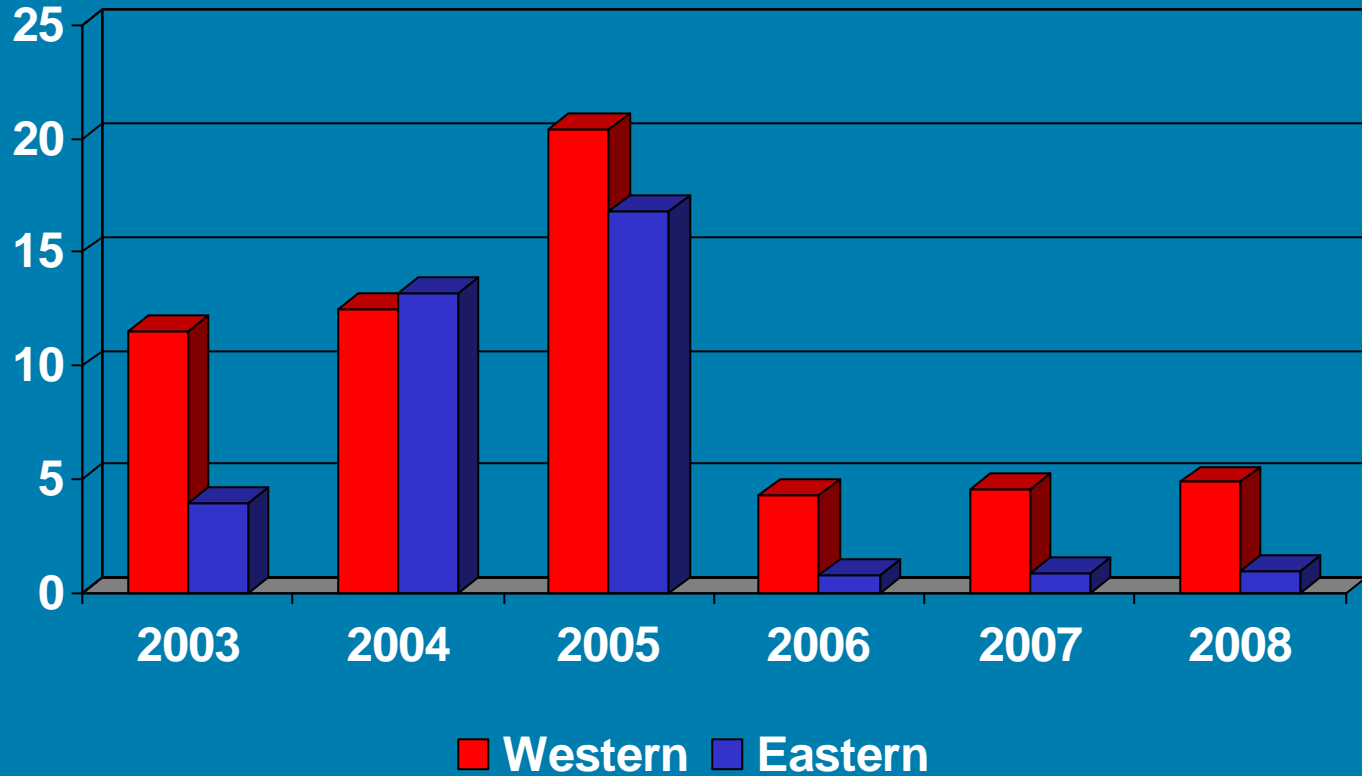
\$ Millions





Acquisitions By Region

\$ Millions





Results, *continued*

- **Governance practices**
 - study results
 - best practices
 - open and transparent
 - disclosure statements in annual report
 - governance
 - pay policy



Moncton Shops, Moncton



Moncton Shops, Moncton



Glenlyon Business Park, Burnaby



Benny Farm, Montréal



Benny Farm, Montréal



Ursula Hymen

Member
Royal Canadian Air Force
Women's Veterans

Benny Farm, Montréal



Benny Farm plan remains a centre of controversy

The City of Montreal and its mayor, Gérald Tremblay, are finally ready to weigh in on the decade-long ordeal most NDG residents refer to as the Benny Farm site. At a council meeting last week, Tremblay sort of went on the record as saying that there could be a recreation facility of some kind on the site. Exactly what sort of facility to which our mayor was referring could be really bad news for the Fonds Foncier Benny Farm, the coalition that is pressing for affordable housing on the site.

The simple question basically comes down to this: Does the community need another recreation centre, or should the bulk of the acreage go towards housing? Of course,

city councillor Jeremy Searle. He asserts that, instead of bringing more low-income people into NDG, the City should take care of the ones who presently live there.

"Right now, 34 per cent of people in NDG are living in poverty. That means that at least 20,000 people are excluded from recreation at private health clubs," he said. "The Fonds Foncier plan has nothing to help those 20,000 people. There is no housing shortage here in NDG. It's just that too many people want to live here."

Searle added that there are not enough quality indoor pools in NDG, and that parents are being forced to bring their children to Côte des Neiges and Little Burgundy to swim.

However, the Fonds Foncier does not

Désaccord sur l'avenir de Benny Farm

SEBASTIEN RODRIGUE
MONTREAL

LE PROJET du Fonds financier communautaire Benny Farm (FFCBF) a de la compétition puisque l'Association des résidents et contribuables avertis de Notre-Dame-de-Grâce compte promouvoir la construction d'un complexe récréatif et culturel municipal au lieu d'un projet comportant seulement des logements sur ce terrain d'une superficie de 13 acres.

L'association tenait une réunion d'information samedi à laquelle ont participé environ une centaine de personnes. Le groupe veut faire la promotion d'un complexe comprenant des logements pour personnes retraitées, un centre de loisirs municipal avec une piscine et une bibliothèque ainsi qu'un CLSC, précise une porte-parole de l'association, Arlyle Warin.

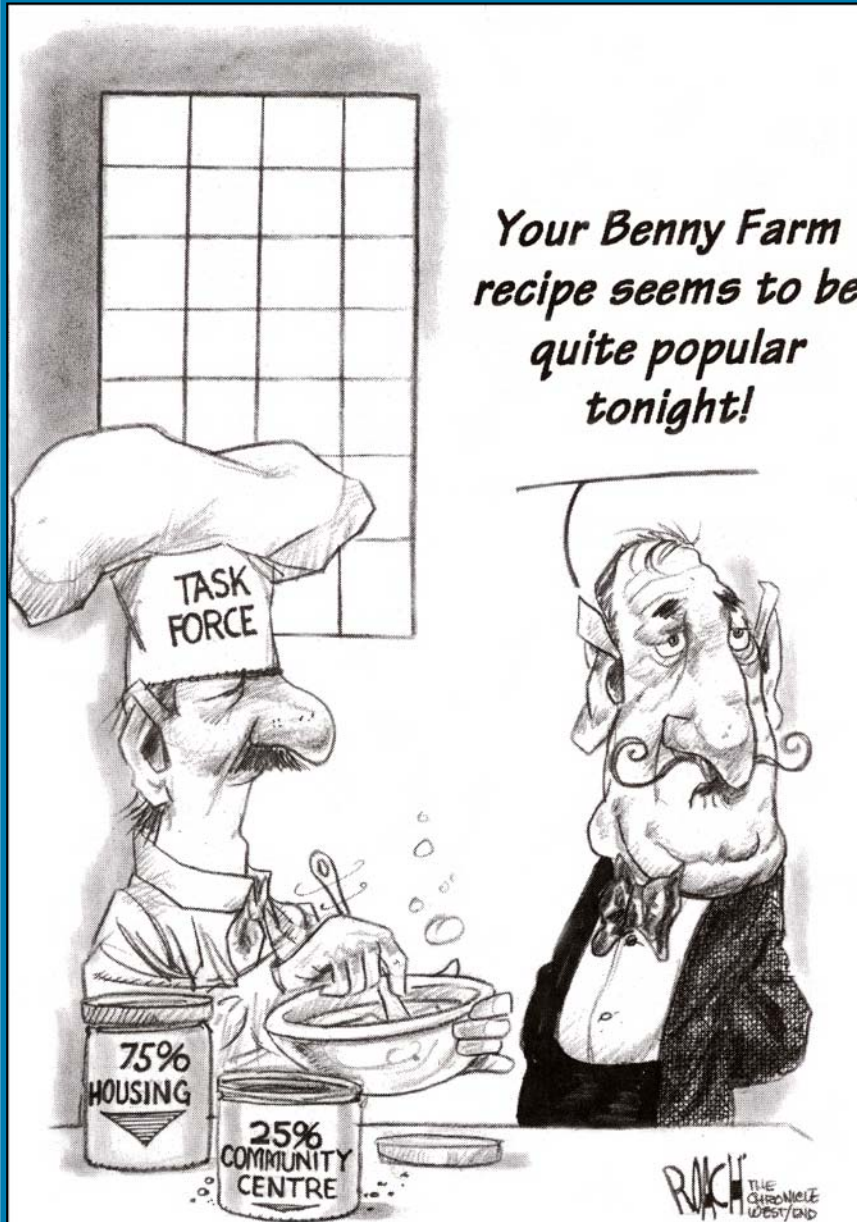
L'emplacement appartenant à la Société immobilière du Canada (SIC) est toutefois convoité depuis longtemps par le FFCBF qui souhaite rénover les bâtiments existants et en construire d'autres. Le projet avait néanmoins été rejeté l'automne dernier par la SIC, mais l'organisme sans but lucratif poursuit ses démarches, dit Sam Boskey du FFCBF.

De son côté, le conseiller municipal de Notre-Dame-de-Grâce, Jeremy Searle, appuie l'idée de l'association et considère le projet du fonds financier comme caduc. "La population préfère une piscine et une bibliothèque à 2000 personnes supplémentaires dans le quartier", illustre-t-il. La Ville de Montréal et la SIC tiennent d'ailleurs des rencontres ces temps-ci pour relancer le développement du site Benny Farm.

type of centre is Miriam Green, the says the group on by agreeing to move onto the site. of a community focus been on the in which is being



Benny Farm, Montréal



Benny Farm : fin d'une guerre de 12 ans

JOSÉE BOILEAU
LE DEVOIR

La lumière au bout du tunnel? Un consensus vient de s'établir entre des représentants de différents groupes qui, jusqu'à la semaine dernière, se déchiraient quant à l'avenir du site Benny Farm, dans

Il a fallu quatre journées complètes de discussion, la semaine dernière, pour qu'un consensus s'établisse "à la dernière heure". Mais celui-ci couvre les aspects qui soulevaient les plus grandes controverses. Ainsi, Benny Farm sera réservé à 75 % à des fins résidentielles, et à 25 % à

Au total, la partie résidentielle du site comptera 500 unités, soit bien davantage que les 312 logements répartis en 52 immeubles qui, pendant 50 ans, ont logé d'anciens combattants et qui sont actuellement inoccupés.

"Il y aura une certaine

Le SIC, qui relève du gouvernement fédéral, a donc embauché M. Béland et est afin qu'il fasse office de médiateur. Celui-ci a d'abord eu des rencontres privées avant de tenir la séance de la semaine dernière. Le groupe de travail était composé tant de représentants de groupes

Benny Farm: l'improbable se réalise

Les architectes choisis devront développer le site selon les vœux d'un comité de 12 personnes qui, jusque-là, s'entredéchiraient

JOSÉE BOILEAU
LE DEVOIR

Il y a cinq mois tout juste, l'avenir de Benny Farm, l'immense site de 312 logements vacants dans Notre-Dame-de-Grâce à Montréal, était l'objet de discussions devant le tribunal. Et il paraissait sans

lors les recommandations d'un groupe de travail qui, depuis deux mois, a réuni 12 personnes jusqu'à l'irremédiablement divisées au sujet de Benny Farm. Le plan final doit être soumis en janvier à la ville de Montréal.

Des membres du Fonds foncier communautaire Benny Farm — qui incluent des logements à prix réduits et qui ont permis la

Sonia Barbarese a donc pour mandat d'en réviser le plus possible, sous une vague obligation aux yeux du Fonds foncier, qui privilégie cette option.

A la SIC, on parlait carrément de quasi-entente hier tant le consensus était loin de déborder. Le groupe de travail guidé par un médiateur avait dû débuter octobre, s'entendre sur des principes de base. Quatre cahiers d'architectes ont ensuite été écrits dans un esprit de coopération pour l'avenir du site.

Residents back Benny Farm Project

SHARON LESLIE
MONTREAL

Contrary to Rosemary Bradley's statement that "no one in the neighbourhood" supports the Fonds Foncier Benny Farm project in N.D.G. (Letters, April 18), 1,500 N.D.G. residents have signed a petition indicating their support for increased affordable housing in N.D.G. and the Fonds Foncier project. Whether rich or poor, anglophone, francophone or immigrant, home-owners or tenants, an overwhelming 90 per cent of those approached agreed to back the project.

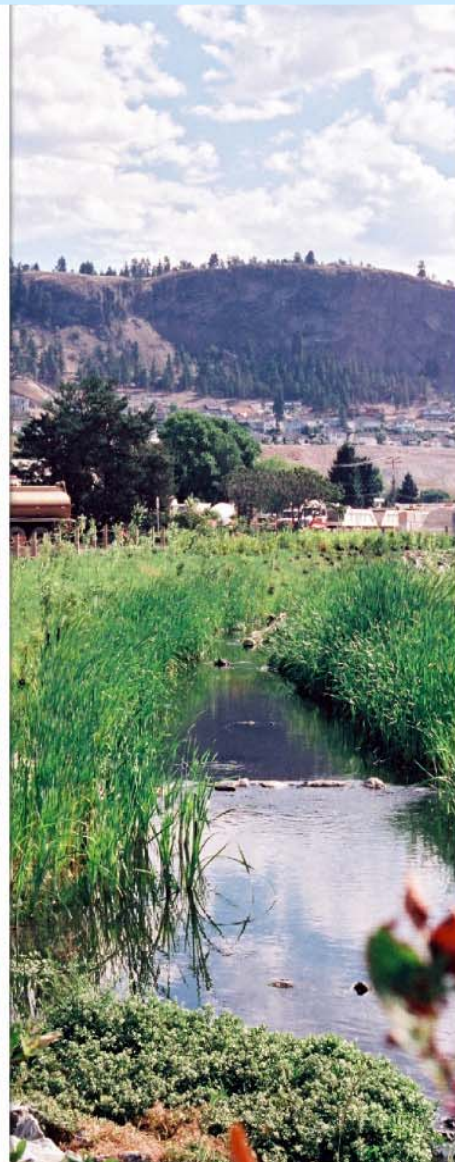
Twenty-four organizations have formally stated their support. These include credible

to special needs of those desperately seeking adequate housing are part of the vision of the Fonds Foncier Communautaire Benny Farm, including innovative projects for young adults, those with disabilities, seniors and young single moms continuing with their education.

Twenty of the neighbours living on Walkley Ave. immediately bordering the proposed project have also indicated their support in writing, along with dozens of other active citizens and leaders in the community. Over 100 people, many young parents with children, demonstrated their backing on April 17 outside of the local Cote des Neiges-N.D.G. borough summit.



Brandt's Creek Crossing, Kelowna



Garrison Woods, Calgary



401 Burrard, Vancouver



In Summary:

- Corporate social responsibility
- Greater cost efficiencies
- Improved services
- Dramatic increase in value creation
- \$18.5 million to \$31.4 million per annum
- \$340,000 per employee per annum



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