



2012-2016 Business Plan Summary

Program	Corporate, Operational & Council Services
Service grouping	Corporate Services
Service	Realty Services
Type	Public Service

Owner: Bill Warner, Manager, Realty Services, CAO's Office

Strategic Priority

Economic Prosperity

Purpose

Provide full range of realty services including advice, property acquisition, industrial land marketing & sales, disposition, property management and lease administration for civic departments, Council, CAO's office and LEDC. Provide expert advice and real estate solutions to complex real estate needs, participate in negotiations, draft legal and realty agreements, negotiate leases and ongoing support to municipal administration. Realty Services are required pursuant to the Municipal Act and Council Policy for the acquisition and disposal of municipal real estate.

Financial & Staffing

In \$000s	2010 Actual	2011 Revised Budget
Operating budget		
Expenditure:	890	966
Non-tax revenue:	868	827
Net (tax supported):	22	139
Capital budget		
	2010 Revised Budget	2011 Revised Budget
Expenditure:		
Non-tax revenue:		
Net (tax supported):	0	0
Staffing FTEs:	7.0	7.0
Percentage of expenditures budget (all rate sources):	0.00	0.02
Annual per household cost of net budget (\$):	0.13	0.83

Key processes

Property Acquisition

Negotiates the purchase of lands required for municipal purposes.

Lead role in administering the Expropriations Process when required and authorized by Municipal Council.

Develops and Implements Strategic Acquisition Strategies. Negotiates and implements land exchanges.

Secures permission to enter and construct agreements to facilitate municipal construction.

Outsourced percentage
20%

Property Disposition

Responsible for the Sale of Municipal Real Estate Assets which have been declared surplus.

Develops and implements policy for the Sale of Land. Lead in the disposal of tax sale properties.

Outsourced percentage
15%

Property Management and Lease Administration

City owned property leased to third parties.

Arranges the property showings, interviews prospective tenants and approves tenants for both commercial and residential properties.

Administers rental property including the collection of rent, determination of rental rates, co-ordination of maintenance and repairs of City owned properties, and attending tribunals for the eviction process, when required. Property conditions are reviewed yearly to ensure viability and safety.

Outsourced
percentage

0%

Conducts RFPs for office lease space and negotiates lease agreements.

Obtains demolition permits and manages the contracting out of this work in clearing City property for capital projects.

Administers license agreements for side walk cafés and billboard signs.

Administers encroachment agreements on the City's rights-of-ways.

Cemeteries Management

Administers and maintains the Kilworth, Woodhull and Bostwick Cemeteries as well as pioneer cemeteries located throughout the City.

Outsourced
percentage

0%

Reviews and recommends all pricing of services for City cemeteries and arranges for the selling of plots, contracting out the maintenance and repairs, coordinates the opening and closing of plots, obtains the Cemetery licence, adheres to Provincial legislation relating to Cemeteries.

Provides Advice and Analyses on Real Estate to other Civic Departments, Board and Commissions and Municipal Council.

Provides in-house property appraisal services on a range of real estate required by the Corporation combined with outsourcing and review of independent appraisal reports.

Outsourced
percentage

20%

Reviews claims and provides recommendations on expropriation claims involving injurious affection and business loss claims. Provides testimony on behalf of the Corporation at various courts and tribunals.

Provides analysis and recommendations to Housing Leadership Committee on affordable housing initiatives

Industrial Land

Takes the leading role in the marketing and selling of City-owned industrial lands and promotes industrial economic growth as well as providing project management for existing and proposed City owned industrial parks.

For new City owned industrial parks, manages the acquisition & development of these lands and recommends subdivision design, development phasing and marketing strategies.

Liaises with the London Economic Development Corporation (LEDC) and other Civic Departments to investigate, research and recommend appropriate sites for businesses wanting to locate or re-locate. As well, this Division performs site

Outsourced
percentage

0%

tours and prepares site selection packages for prospective client groups or their representatives.

Manages the industrial land and building inventory for the City and the LEDC and maintains historical data on industrial land and buildings.

Takes the lead role in property acquisition and land assembly by identifying strategic properties for future industrial parks.

Performs the leasing of agricultural land over the interim period prior to development of land for industrial uses.

Regulatory/Policy landscape

Service	Delivery method
Mandatory	Non-legislative

New council direction, new regulations, legislative changes

Not applicable

Current state of this service

Realty Services provides the lead role in many capital projects involving property acquisition and disposal, negotiations, feasibility analysis, site selection, office space leasing / negotiation and lease administration. These include:

Transportation Projects;

Fanshawe Park/ Highbury Ave. Intersection; Sarnia Road CPR Bridge; Commissioners Road West; Southdale Road;

W12A Landfill site - two properties acquired for buffer area;

Fire Stations - new site assembly for Station 7 and site selection for Station 11;

EES - Stoney Creek Trunk Sewer; Green Valley Road Wetland;

Parks & Rec. - SE Community Centre; Rectory Indoor Sports Centre;

Parks Planning - Sunningdale Road Parks acquisition; 40 other future park sites ongoing

Realty Services has undertaken a strategic approach to support property acquisition strategies with a view of achieving cost containment on acquisitions for major Capital Projects while balancing the fair and equitable treatment of affected property owners. Where possible this Division stresses and receives buy-in from the Engineering Department and Municipal Council to establish adequate planning horizons so that land acquisitions can be managed in an orderly and cost effective way.

Land acquisition costs have increased significantly in relation to major Capital Projects, particularly for projects initiated 5 to 10 years ago. Examples of this include Commissioners Road East Road Widening Project between Wellington Road and Wharncliffe Road South and Springbank Drive Road Widening Project between Horton Street and Wharncliffe Road South which involved a significant number of costly property expropriations. Over the last 4 years the Realty Services Division has achieved significant overall project savings through the design and implementation of advance purchase / voluntary acquisition programs for the Oxford Street West and the Hale / Trafalgar / CN Rail overpass projects. Current projects

include: Southdale Road widening, Samia Road Bridge replacement, Commissioners Road West widening and other GMIS projects.

Where it is reasonably economically justified, the division has instituted a practice to acquire properties in their entirety as opposed to partial takings, which can give rise to significant injurious affection claims that greatly exceed the cost to acquire the total property. In some cases there is residual property, which can be sold upon completion of the projects.

The Realty Services Division gives emphasis to customer service and efficient project implementation. Realty provides strategic input into long term asset management planning including stakeholder consultation.

Realty Services assisted with the completion of a Request for Proposals for support realty services and implemented an Agency of Record. This Agency has been assisting with the City Hall Options Study.

Recent enhancements to economy, efficiency and effectiveness

Realty Services has developed and implemented acquisition strategies with a view toward achieving cost containment involving major Capital Projects while balancing the fair and equitable treatment of affected property owners. Examples include the Oxford Street West and the Hale / Trafalgar / CN Rail overpass projects, which have achieved savings estimated at over \$1 million through amicable agreements without the need to commence costly expropriations proceedings.

The Realty Services Division has developed and implemented an improved RFP process for office leasing, which has conferred savings in the order of magnitude estimated at \$200,000 to \$400,000 over the last three tenders.

This Division has taken a lead role in the development of well planned and innovatively designed business / industrial parks to address current and forecast market demand while balancing the compatibility / impact on neighbouring land uses.

The Realty Services Division in conjunction with the City's Legal Department were successful in achieving savings of over \$100,000 to the Municipality at cost assessment hearings by challenging unreasonable consultant costs submitted to the City as part of litigation / Ontario Municipal Board hearings.

Future direction of this service

Selectively outsource consultant services such as real estate appraisal property valuation, negotiation, specialty leasing, and property management when cost effective to do so.

Negotiated the Agency of Record to support complex realty advisory role and participation in the City Hall Options Study.

Continue to improve and advance purchasing strategies with an emphasis on minimizing the number of expropriations required.

Assist in the servicing and development of the City's Industrial Parks with particular emphasis on joint venture opportunities.

Develop and author Council mandated Industrial Land Monitoring and Pricing Reports. Provide strategic advice to the Industrial Land Development Strategy including market price comparison, marketing strategy, market supply and demand data, negotiation strategy. Lead

negotiation role in the acquisition of property under the W12A Community Enhancement and Mitigative Measures Program. Participate in the Realty Advisory role for other Special Projects that would include Downtown Revitalization Initiatives.

Implement user fees – sale of portions of streets and lanes.

Potential for Corporate Restructuring that involves aligning the Realty Services and Facilities Divisions to report through a common Director with the objective to maximize functionality and facilitate streamlined Corporate asset management.

Objectives next 4 years

Property Acquisition in support of Engineering Transportation Projects - GMIS funded projects

Provide Property Clearance for scheduled projects in 2012 to 2015 including Sarnia Road; Southdale Road, Commissioners Road West; Oxford Street West

Expected completion year	Division responsible
2015	Realty Services

Actions

Acquire all necessary consent agreements from private property owners to provide Construction access for contracts to be tendered. Best value on purchases and implementation of best practices to reduce costs.

Outcomes and measures

Number of total agreements taken
Limit amount of property expropriated
Cost per Property Acquired

Industrial Land Sales - City Industrial Parks

Successful negotiations of the sale of industrial land and approval from Council

Expected completion year	Division responsible
2016	Realty Services

Actions

Negotiations with Purchasers; More effective Marketing through trade shows, networking, advertisement; Upgrade of Business Locator and web-based data port

Outcomes and measures

Number of acres sold
Increased exposure to marketplace
Improved Web Site - # of web site hits
Preparedness of Land Inventory for Sale - More efficient land data

Industrial Land Acquisition Strategy

Long term strategies for the acquisition of land for the City Industrial Land Development Strategy

Expected completion year	Division responsible
2011	Realty Services

Actions

Strategic Location Study and Mapping of Preferred Economic Corridors

Outcomes and measures

Inventory of Land Mapping and geospatial data complete and ready to support ultimate land acquisition strategy

Emerging issues and challenges

Economy

Real Estate Market Changes and expectations of property owners may affect negotiations of the purchase of lands.

Legislation

Expropriations Act Sect. 32 (Costs) will continue to challenge our negotiations with property owners and their entitlements to compensation.

2012 - 2016 Service changes with financial impact (+/-)

Statistics and performance measures

A Activity measures

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Number of Properties Acquired	130	140	110	141	170
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
	100	100	100	100	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	100	100	100	100	

Comments

Properties acquired will drop due to decrease in IFS funding and changing capital program

B Efficiency measures

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Property Appraisals Completed	250	300	250	200	230
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
	240	240	225	180	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	180	180	180	180	

Comments

Appraisals forecast will decrease as Tangible Capital Asset Appraisals not required each year

C Effectiveness/Quality/Satisfaction measures

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Number of Leased/ Rented City owned Properties	135	145	145	155	180
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
	158	154	165	165	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	170	170	175	175	

Comments

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Acres of Industrial Land Sales	25	25	92	30	0
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
	19	19	50	25	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	25	50	50	50	

Comments

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Appraisal Reviews					
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
			75	75	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	75	75	75	75	

Comments

New measure - no historical data is available

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Consultant Reports Procured/Reviewed					
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
			25	25	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	25	25	25	25	

Comments

New measure - no historical data is available

Description of measurements	2005 Actuals	2006 Actuals	2007 Actuals	2008 Actuals	2009 Actuals
Property Liaisons					
	2010 Expected	2010 Actuals	2011 Forecast	2012 Forecast	
			50	50	
	2013 Forecast	2014 Forecast	2015 Forecast	2016 Forecast	
	50	50	50	50	

Comments

New measure - no historical data is available