

Branch - Corporate Properties

Introduction

Corporate Properties primary responsibilities include securing property needed for municipal projects in a timely and cost-effective manner and managing City's land and building inventory to maximize use.

The branch manages surplus land holdings to create opportunities for residential, commercial and industrial development, as well as supports communities through non-profit leasing. It also supports the City's financial sustainability through land management operations, leasing and parking operations.

The branch also has corporate responsibility to manage civic staff accommodation needs. Following the May 2011 corporate reorganization, the services and associated budgets for Building and Facilities Maintenance and for Custodial Services have moved from Corporate Properties to the Infrastructure Services Department.

Our **Mission** - Exemplary Stewardship of the City's Land and Building Assets through innovation, leadership and service.



Opportunities and Challenges

The diverse businesses within Corporate Properties present a number of opportunities and challenges in creating a world leading municipality. The key focus for 2012 is to realign existing resources to optimize the results identified in the City's Corporate Outcomes. This includes:

1. Improving civic use space utilization, resulting in a reduction of space costs per person.
2. Identifying, prioritizing and securing the land needed for capital projects and municipal operations to enable more efficient planning and design.
3. Optimizing surplus land opportunities.

The opportunities and challenges outlined below are identified through internal and external environmental scans and often have impacts beyond one year, and may or may not have budget implications for 2012.

A) Improving Civic Use Space Utilization

The branch leases City owned residential, commercial and industrial properties to the public and the non-profit community. This includes the provision of property management service for over 1,000 leased properties.

The branch also leases space from the private sector to accommodate staff.

Efforts to consolidate space are being undertaken. This will increase efficiency and reduce space costs. The branch is taking advantage of market opportunities to pursue leasing large floor plate buildings as they become available. A Corporate Facility Strategy will enable the City to implement a more integrated planning approach for facilities.

MAJOR SERVICES & ACTIVITIES

Leasing & Property Management

Property Management

Parking Operations

Civic Accommodation Planning

Municipal Real Estate

Land Acquisition and Inventory Management

Surplus Schools

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Opportunities and Challenges (cont.)

In 2012, the branch is evaluating innovative office wall systems designed to lower costs associated with future accommodation changes. This is part of our efforts to improve overall space utilization to achieve industry benchmarks.

B) Securing Land for Civic Needs

Consistent with the recommendation of the 2009 Branch Operation Audit, the Branch has increased efforts to secure land for future municipal projects further in advance of construction timing. The Branch conducts annual reviews of land requirements associated with the Capital Priorities Plan and identifies future needs from longer term project planning efforts. This process has identified important opportunity purchases. Also, the economic slowdown has led to increased interest by private land owners in selling their property at fair market prices.

When opportunity purchases arise, Administration will consider the over all cash flow implications on the City's financial position relative to the lower costs for un-serviced land and the savings that can be realized by avoiding an unwilling seller at a future date. A capital budget profile of \$10 million has been used by Administration to manage this process through the Land Enterprise.

Administration will review the overall cash flow implications and recommendations regarding carrying costs associated with land purchased in advance of need, which may be brought forward for Council's consideration at a later time.

The Opportunity Purchase Program developed in 2011 for the LRT will continue in 2012. This program supports a more timely acquisition of land required for civic needs.

C) Optimizing Surplus Land

In 2011, a pilot project to develop secondary residential suites on surplus school land met with considerable success and achieved new standards for sustainable development through their BuiltGreen certification. Development of additional secondary residential suites sites is being considered in 2012.

Local school boards are scheduled to review the inventory of vacant school sites to confirm sites still required for future schools and sites which may be declared surplus in 2012. Surplus sites create opportunities to transform vacant land consistent with City strategic direction and require new use recommendations to be developed for Council consideration.

Recommendations for 23 current surplus school sites are under development for Council consideration in 2012. There are also another 27 closed school buildings. Some of these sites may be declared surplus by School Boards and offered to the City for purchase in 2012. It is possible that proceeds from the sale of some of the vacant sites may be used to purchase these building sites that are market value transactions.

Service and Budget Review

The Corporate Properties Branch has identified over \$1 million in ongoing tax levy relief commencing in 2012 by implementing a number of changes.

Through the relocation of staff parking from privately owned facilities to City owned parkades, the corporation will save \$200. The closure of the Argyll School will save \$45 annually in operating and maintenance costs.

The Current Planning branch is moving to full cost recovery in 2012. Corporate Properties will be charging them 100% of their space costs. As space for Current Planning was previous funded through the tax levy, the change to a cost recovery model funded fully from user fees will result in \$763 of tax levy savings.

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Approved 2012 Budget – Branch Summary (\$000)

| | 2010 Actual | 2011 Budget | \$ Change '11-'12 | 2012 Budget | % Change '11-'12 |
|--|------------------|------------------|-------------------------|------------------|------------------------|
| Revenue & Transfers | | | | | |
| Parking & Rental | \$ 13,191 | \$ 13,273 | \$ 114 | \$ 13,387 | 0.9 |
| Grants | - | - | - | - | |
| Transfer from Reserves | - | - | - | - | |
| Total Revenue & Transfers | 13,191 | 13,273 | 114 | 13,387 | 0.9 |
| Expenditure & Transfers | | | | | |
| Personnel | 8,260 | 7,831 | 65 | 7,896 | 0.8 |
| Materials, Goods & Supplies | 677 | 397 | 4 | 401 | 1.0 |
| External Services | 4,530 | 4,037 | 774 | 4,811 | 19.2 |
| Fleet Services | - | 37 | 1 | 38 | 2.7 |
| Intra-municipal Services | 1,964 | 1,944 | (605) | 1,339 | (31.1) |
| External Leased Costs | 20,840 | 21,888 | 1,803 | 23,691 | 8.2 |
| Utilities & Other Charges | 5,701 | 4,827 | (200) | 4,627 | (4.1) |
| Transfer to Reserves | - | - | - | - | |
| Subtotal | 41,972 | 40,961 | 1,842 | 42,803 | 4.5 |
| Intra-municipal Recoveries | (14,148) | (13,241) | (1,216) | (14,457) | 9.2 |
| Total Expenditure & Transfers | 27,824 | 27,720 | 626 | 28,346 | 2.3 |
| Net Operating Requirement | \$ 14,633 | \$ 14,447 | \$ 512 | \$ 14,959 | 3.5 |
| Full-time Equivalents | 79.5 | 79.5 | 1.5 | 81.0 | |



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Approved Budget Changes for 2012 (\$000)

Revenue & Transfers - Changes

Parking & Rental \$114

Increase in revenue due to acquisition of two commercial properties in 2011.

Expenditures & Transfers - Changes

Personnel \$65

Movement within the salary ranges, changes in benefits, and the last year of a 3-year 1% LAPP contribution increase account for \$90; and the addition of one FTE accounts for \$68. A review of the benefit rates results in a savings of \$93.

Material, Goods & Supplies \$4

This increase relates to inflation.

External Services \$774

Fit up costs for new space and space changes and moves due to organizational churn, growth, emerging projects and service delivery improvements.

Fleet Services \$1

This increase relates to inflation.

Intra-municipal Services \$(605)

After re-organization of Corporate Properties, a review of costs results in a reduction of \$(601).

External Lease Costs \$1,803

Increase in lease agreements for space requirements of the corporation.

Utilities & Other Charges \$(200)

Reduction of finance charges for 2012, as Poundmaker loan was paid out.

Full-time Equivalents - Changes

A Planning Technician is required to undertake minor space plan changes, update organizational data, building stacking plan, and coordinate moves to enable internal costing of space for both actual and virtual space costs. This will result in an increase of one FTE.

Service & Budget Review \$(245)

Relocating staff parking to city parkades will save city \$200. Argyll School Closure will save \$45 in maintenance and utility costs.

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Approved Service Package - Managing Accommodation Space and Growth

Description

This service package provides funding to enhance the managing of the City's accommodation growth and space changes. The annual projected growth in department space requirement is 1.5% which includes space rental and fit up costs for new space and space changes and moves due to organizational change, growth, emerging projects and service delivery improvements. Space requirements are based upon approval standards and accommodation plans which are developed and updated on an ongoing basis to gain efficiencies through re-stacking of existing facilities.

A Planning Technician is required to undertake minor space plan changes, update organizational data, build a stacking plan, and coordinate moves to enable internal costing of space for both actual and virtual space costs. This will enable the space planner to focus on more strategic and efficient planning rather than inventory operation and management.

Justification

Service delivery to the public (businesses and citizens) will be improved by consolidating and strategically locating departments to provide better accessibility (centralized and decentralized as required). This service package will improve space utilization which result in lower cost per person to deliver civic services by planning space to current and future Industry Standards. Techniques to improve staff productivity (i.e. Work space Edmonton Initiative) will ensure that sufficient space is provided for future growth and flexibility, while minimizing surplus / excess space.

Links to Strategic Goals, Departmental Outcomes & Performance Measures

Strategic Goal(s) - The Way We Grow - transform Edmonton by strategically investing in select infrastructure. Diversify Edmonton's economy by continually improving the capacity and capability of the civic organization in the delivery of services to businesses and citizens.

Departmental Outcome(s) - Enables sustainable growth based upon departments' demonstrated needs.

Performance Measure(s) - Enables the City to achieve improved Space Utilization in line with Industry Standard (170 Useable Square Feet per person / work station) thus reducing overall cost per person for space occupied.

Impact on Other Departments

Enhances synergies between departments by re-aligning staff based upon the 2011 corporate reorganization. Enables departments to grow to meet service delivery requirements.

| Incremental (\$000) | 2012 | | | | 2013 | | | | 2014 | | | |
|--------------------------|----------------|-------------|----------------|------------|-------------|-------------|-------------|----------|-------------|-------------|-------------|----------|
| | Exp | Rev | Net | FTEs | Exp | Rev | Net | FTEs | Exp | Rev | Net | FTEs |
| New Budget Annualization | \$1,400 | \$ - | \$1,400 | 1.0 | | \$ - | | | | \$ - | | |
| | | | - | - | | | - | - | | | - | - |
| Total | \$1,400 | \$ - | \$1,400 | 1.0 | \$ - | \$ - | \$ - | - | \$ - | \$ - | \$ - | - |