

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. OID2024-0005

**FOR THE CONSIDERATION OF
COUNCIL**

October 30, 2024

SUBJECT: Land Invest-Divest Strategy and Framework

1. RECOMMENDATION:

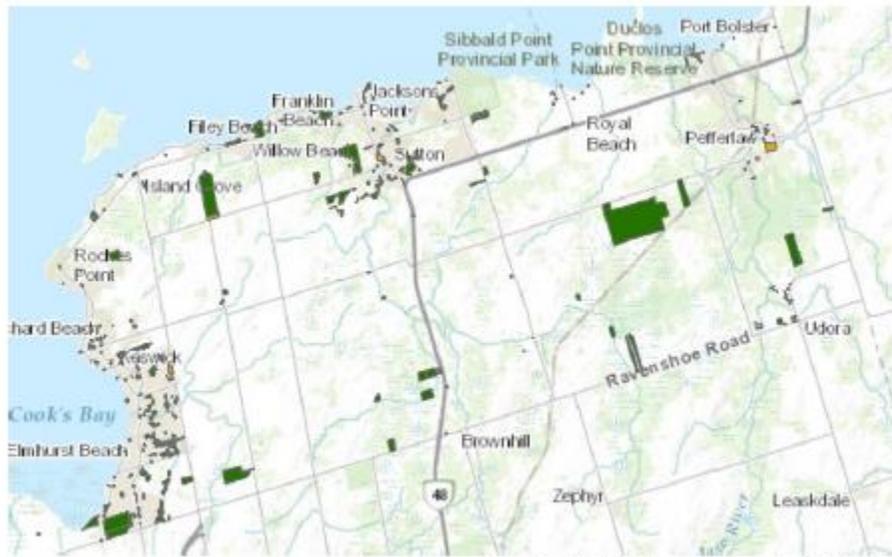
- 1. That Council receive Report No. OID2024-0005 prepared by the Asset Management Division, Operations & Infrastructure Department, dated October 30, 2024 regarding the Invest-Divest Land Strategy and Framework;**
- 2. That Council approve the necessary resources to carry out the outcomes of this report, including the implementation of the Land Strategy and Framework, in alignment with the Town's non-core Asset Management Plan, being \$110,000 from the Land Acquisition Reserve, for a period of up to 14 months unless otherwise extended via update report to Council;**
- 3. That Council direct staff to advance the recommendations for Virginia Hall which include discussions with the adjacent property owner, demolition of the existing structure on the site, and reporting back to Council on final details and approval for divestiture of the site, of which any costs and/or revenues would be drawn/allocated from/to the Land Acquisition Reserve; and**
- 4. That Council direct staff to release an Expression of Interest for future uses of Elmgrove Hall, and report back to Council with the results.**

2. PURPOSE:

To present the Invest-Divest Land Strategy and Framework, a key deliverable from the 2023-2027 Strategic Plan, developed in consultation with Dillon Consulting Limited and urbanMetrics for receipt and adoption, and to provide Council with a roadmap of next steps to maximize the best fit and use of the Town's land and facilities holdings.

3. BACKGROUND:

The Town of Georgina (the Town) owns and manages 411 properties encompassing just over 1,900 acres of land. Refer to Figure 1 for a map and Table 1 for details of the land owned by the Town.



Source: Town of Georgina's TCA List, mapped by urbanMetrics inc.

Figure 1: Map of Town-owned Land

The Town's inventory (as of August 2023), includes the following:

FIR reporting category	Count	Size in Ac.
Urban Storm Sewer system	4	7.65
Wastewater collection/ Conveyance	27	163.2
Governance	297	813.73
Cemeteries	4	21.02
Parks	34	274.08
Recreation Facilities	15	60.58
Other	1	1.65
Roads - Paved	15	11.9
Roads-unpaved	4	0.63
Roadways- Traffic operations & roadsid	4	550.52
Assistance to Aged Persons	1	0.16
Fire	4	4.71
Civic Property	1	52

Table 1: Land Inventory

The Town's Invest-Divest Land Strategy provides a framework that supports the acquisition and divestment decisions and helps optimize the economic value of Town owned real estate assets while protecting the interests of residents, as well as enhancing the management of the land assets and the associated infrastructure.

In March 2023, the Town released a Request for Proposal (RFP) seeking bid submissions from qualified vendors for the development of the Non-core Asset Management Plan (AMP). The Invest-Divest Land Strategy and Framework was requested as a stand-alone assignment to follow the non-core AMP, as part of this procurement.

Dillon Consulting Limited represented the highest scoring eligible respondent to the RFP, and as such, a Purchase Order (PO) was issued to Dillon Consulting Limited to complete the work. Dillon Consulting Limited engaged urbanMetrics Inc. as a subconsultant to deliver the Invest-Divest Land Strategy and Framework.

UrbanMetrics (UM) has over 35 years of experience providing market research and project feasibility, economic impact analysis, municipal finance, strategic municipal planning, economic development, and expert witness and dispute resolution services to both public and private sector clients.

4. ANALYSIS:

Working through the strategy development

To begin developing this strategy, urbanMetrics undertook a review of the Town's current real estate administration policies and their implementation, to outline the current state of the Town's real estate management functions. The policies and plans reviewed include the Town's Official Plan, secondary plans, the Corporate Strategic Plan, the Sale of Surplus Land Policy, core and non-core Asset Management Plan, as well as additional relevant documents.

Further, urbanMetrics conducted a preliminary analysis of the Town's land inventory, which is documented in the Town's Tangible Capital Asset (TCA) list and various Geographic Information System (GIS) database'. In September, an interactive workshop was conducted with various departments to understand how Georgina currently manages its real estate, the current processes in place and the challenges and opportunities to optimize the economic value of its real estate assets while balancing the current and future needs of the Town.

Staff representatives from CAO's office, Community Services, Development Services, Fire and Rescue Services, Human Resources, Legislative Services, Operations and Infrastructure, Public Library and Strategic Initiatives attended the workshop to provide relevant departmental input, as land and facilities holdings affect each departments needs differently.

Delivering the ‘Invest/Divest’ Framework

A six-stage path was developed to outline the process of implementing an Invest-Divest Framework (Figure 2). The stages are outlined in greater detail below.



Figure 2: Path to Implementing an Invest / Divest Framework

Stage	Detail
<p>Stage 1 – Designate a resource:</p> <p>Appointing a designated resource to oversee the lifecycle of each asset within the real estate portfolio and facilitate real estate decisions in collaboration with other departments to optimize the value of the assets.</p>	<p>The implementation of the invest and divest framework requires a designated staff resource. Assign a resource to specifically manage the land assets in the portfolio and collaborate with other departments to facilitate informed real estate decisions that optimize asset value. Currently, no resources are assigned at the corporate level, making the allocation essential for advancing the program.</p>
<p>Stage 2 – Establish the Current State of the Real Estate Portfolio:</p> <p>UrbanMetrics recommends conducting a complete review of the Town’s real estate portfolio by establishing a comprehensive real estate database, assigning each asset to a Town ‘Client Department’, and categorizing standard key attributes for each asset (see Appendix 1: (appendix A)).</p>	<p>The recommended asset attributes alongside the unique Asset ID, and other relevant data will be used to inform the Town’s Asset Lifecycle Model for land assets, and in the future, the Town’s enterprise asset management software. These attributes include zoning, MPAC property classification, size, restrictions potential known liabilities and risks and other relevant attributes to support the strategic real estate decisions. Throughout the development of the strategy, staff have gathered relevant available information, however, there are significant gaps in the base-level data, essential to advancing any prioritization or future investment/divestment decisions on a database-wide level.</p>

Stage 3 – Town Wide Real Estate Needs: UrbanMetrics advises the resource dedicated to oversee the program would support the development of a Real Estate Needs Master Plan (demand analysis) to manage and coordinate the Town’s future facilities and land needs with consideration of the four primary policy drivers: Economic, Environmental, Social and Fiscal.

The demand analysis will be used to inform current and proposed levels of service for various service areas (i.e. land, facilities, parks, roads), and is often covered in various existing Master Plans (ie. Parks and Trails Master Plan proposed development needs). The decision-making for land assets requires the balancing of the four drivers in determining whether a property within the Town’s portfolio should be held, disposed, leveraged or acquired. This work is already underway as part of the development of this strategy, but requires further refinement. Some examples include:

- Environmentally protected/donated for same – Hold
- Existing/future parkland/trail network – Hold
- Serviced lot/ no internal long-term benefit/need, exceeds __ Ha – Leverage (Housing needs etc)
- Vacant land/no internal or long-term benefit/need, exceeds __ Ha – Dispose

These examples are mapped (not explicitly) as a general path to categorizing all 411 unique parcels, outlined in figure 3 below.

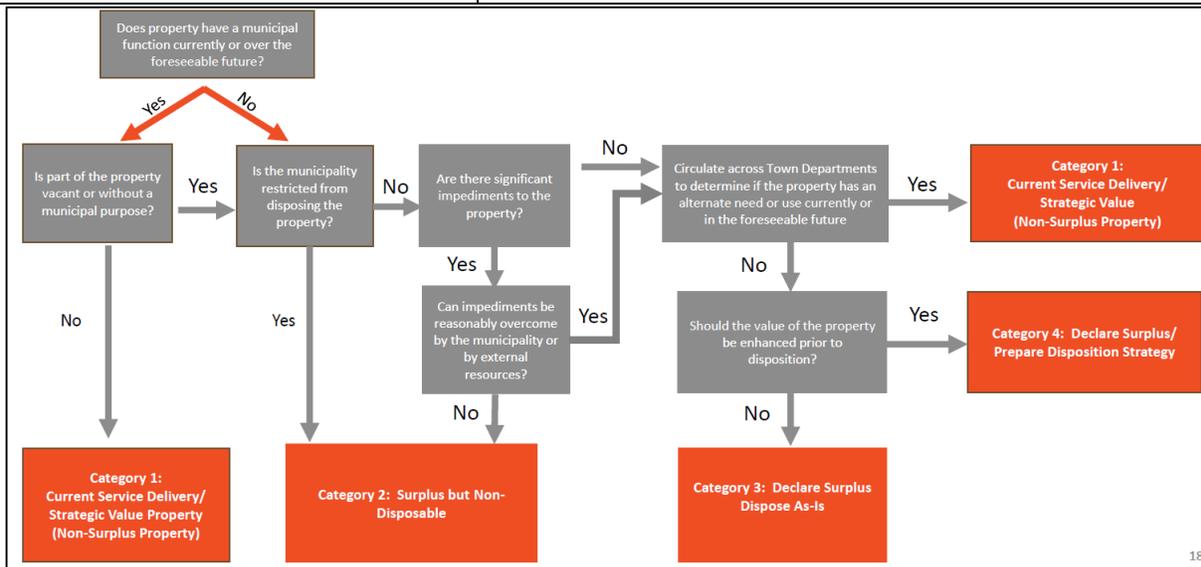
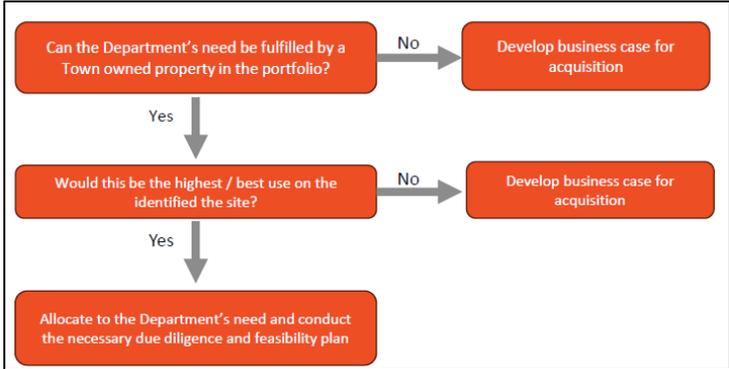


Figure 3: Surplus Land Identification Process

Stage 4 – Guiding Principles for a Town-wide Real Estate Approach: urbanMetrics recommends implementing a set of guiding principles to inform Town-wide real estate decision-making to optimize the economic value of Town’s real estate assets while protecting the interest of residents.

Stage 4 requires the collaboration with other departments in developing detailed guiding principles following an in-depth review and evaluation of the current land and facilities portfolio. Overall, the guiding principles must consider current and future internal operational and administrative needs, as well as current and future public needs, whether required (ex. parkland) or strategic (ex. housing) considering three of the four primary policy drivers (economic, social, environmental). Beyond these needs being met, the fourth policy driver (fiscal) becomes the focus, by leveraging these underutilized assets (divestiture) to advance the needs of the existing holdings.

<p>Stage 5 – Invest / Divest Processes: <u>Acquisition Process:</u> urbanMetrics recommends an Invest (Acquisition) Process to better align the Town’s existing real estate portfolio with its needs and prioritize the utilization of Town-owned land before considering the acquisition of new land. This process is rarely undertaken, but nonetheless, a necessary part of the strategy.</p> <p><u>Divest Process:</u> urbanMetrics recommends a Divest Process whereby potential surplus lands identified in Stage 2 and/or 4 of the framework can then be directed to be evaluated for its highest and best use, and further disposed of using the existing sale of surplus land policy which ultimately requires Council approval. This will provide a systematic approach and will provide a transparent and competitive process to ensure the best interests of the Town are met.</p>	<p>Stage 5 requires the coordination with other departments to conduct an initial internal site identification and review of existing real estate portfolio when a department requires land to fulfill a need before undertaking any acquisition. The following diagram shows the purposed process for land acquisition.</p>  <pre> graph TD A[Can the Department's need be fulfilled by a Town owned property in the portfolio?] -- No --> B[Develop business case for acquisition] A -- Yes --> C[Would this be the highest / best use on the identified the site?] C -- No --> D[Develop business case for acquisition] C -- Yes --> E[Allocate to the Department's need and conduct the necessary due diligence and feasibility plan] </pre> <p style="text-align: center;">Figure 4: Acquisition Process</p>
<p>Stage 6 – Implement an on-going Monitoring and Benchmarking Process: urbanMetrics recommends establishing a set of key performance measurements to track the Town’s real estate activities and portfolio and report annually. This is a continuous process as eventual acquisitions and dispositions will change the composition of the land inventory.</p>	<p>The established measurements and the identified challenges in the process will be tracked and communicated through Council reports and annually through the strategic plan update. The land inventory will be reviewed and updated annually.</p>

Practical application of the strategy

The strategy will take some time to implement and ensure that all stages and policy drivers for each of the 411 properties have been verified to a point of classification, being, the point of whether the Town decides to hold and manage a property, investigate a property further for a higher or better use, and/or declares a property surplus. It is at that time that strategic decision making can occur considering all land holdings.

However, throughout the strategy development process, it became evident that a number of land holdings with existing facilities were of special interest to advance for a variety of reasons, as outlined below. As such, staff, in consultation with these internal stakeholders, reviewed these opportunities in an attempt to advance some early outcomes for Council's consideration.

Virginia Hall – 0.99ac (28288 ON-Highway 48) [Zoning: Rural, OP: Hamlet]

Policy focus: fiscal (reduce operating and short-to-mid-term capital expenses, generate revenue from sale and/or generate annual revenue from future tax levy)

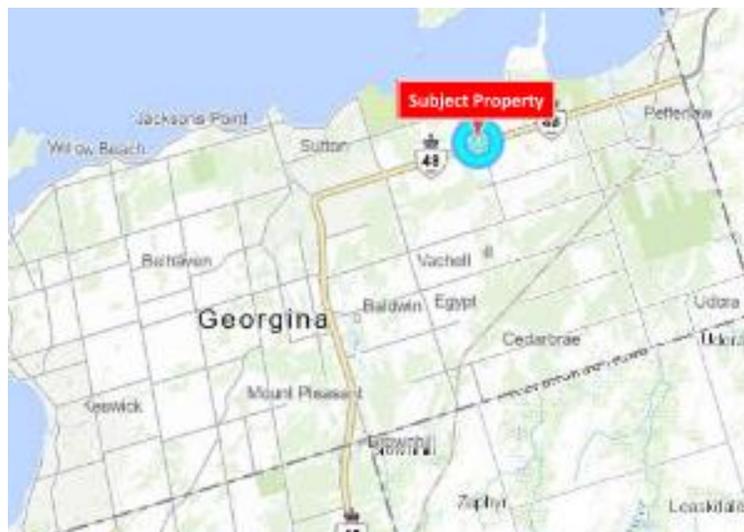
Property Details:

- Property fronts Highway 48 (73'), flanks Hadden Rd. (234')
- Small facility (1,670ft²) Community Hall, not presently in-use, cannot be accessed (mold, feces, animal infestation) and currently poses a short-term risk of failure, degradation and vandalism
- Facility is in disrepair (BCA, 2022) and cost prohibitive to repair or replace. Not regularly maintained or serviced (only on as-needed property basis)
- Property is not designated heritage
- Neighbor to west occasionally uses parking lot
- Neighbor to west *may* share services
- No future use outlined in master plans or stakeholder circulation

Recommendation: Based on the above, that Council direct staff to

1. Demolish the current structure
2. Advance discussions with the adjacent property owner to:
 - Ensure the essential shared services are maintained throughout demolition
 - Better understand and resolve any shared parking use within the site
3. Prepare the site, following demolition and discussions, for highest and best use sale via a report to Council outlining final details and approval

Alternatively, the property could be sold as-is, however, due to the unknowns with the servicing of the adjacent property, it is recommended to advance these discussions and remove the decrepit facility prior to listing.



Elmgrove Hall – 0.36ac (577 Catering Road) [*Zoning: Rural, OP: Greenlands System and Agricultural Protection Area and Specialty Crop Area*]

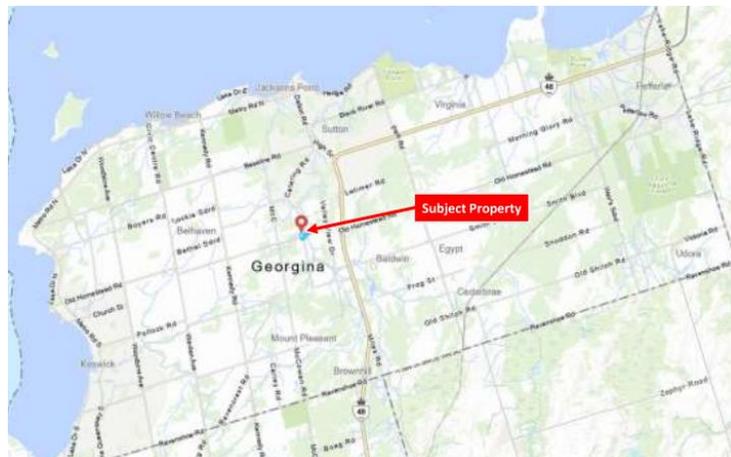
Policy focus: social (Property is designated under the Heritage Act)

Property Details:

- Property fronts Catering Road (60'), flanks Old Homestead Rd. (264')
- Small facility (1,387ft²) Community Hall, Serves no current use
- Facility requires a number of repairs (BCA, 2022). Condition is fair with dated finishes, uneven floor and signs of some animal activity. BCA and staff say building can be rehabilitated.
- Parking lot is occasionally used by adjacent property owners, no agreements
- No future use outlined in master plans or stakeholder circulation
- The improvement is an old school built in 1881 as per stone plaque (1974 as per MPAC) and is a replica of a wooden school house that was present in 1878 and still contains the original bell.
- Due to the restrictions associated with the Heritage Designation, and the necessary repairs required to make the existing structure habitable, the property holds limited financial value in its current state (ie. cost of repairs may be equal to overall value). The Town has no current or future need, and given this, it is not recommended to invest in the facility given the Town's fiscal responsibility and existing backlog of infrastructure repairs.

Recommendation: Based on the above, that Council direct staff to:

1. Release an Expression of Interest (EOI) to solicit bids from interested parties on future uses of the facility and the lands
2. Return to Council with the details of the EOI and outline next steps



5. RELATIONSHIP TO STRATEGIC PLAN:

Delivering service excellence

- Proactively manage infrastructure and assets to ensure service continuity.
 - Develop and implement the Asset Management Plan for non-core assets, including creation of an Invest/Divest Strategy for facilities and vacant lands

6. FINANCIAL AND BUDGETARY IMPACT:

Resourcing

Staffing is required to carry out the strategy and manage the land and facilities holdings. Staffing costs associated with first 14 months of advancing the strategy are up to \$110,000, which relates to a position similar to an Asset Management Specialist, including staff time, burden, and IT resources. This would be a temporary role at this time.

Virginia Hall

Costs associated with demolishing the building, including all abatements, site grading and servicing are conservatively estimated at \$150,000. This investment in the site is intended to better the return on a future sale by more than \$150,000, resulting in a net-positive Return on Investment. Although considered through a separate Council approved report, any revenues from the sale of a property are allocated to the Land Acquisition Reserve.

Elmgrove Hall

There are minimal costs associated with releasing the EOI and these costs are covered under the existing operating budget.

Any of the above financial impacts are intended to be drawn from, or allocated to, the Land Acquisition Reserve.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

Any future divestiture of the land will follow the Town's the sale of surplus land policy which ultimately requires Council approval. With Council's approval, the asset will be released on the open market and become public. Furthermore, any change in use prior to a sale that requires an Official Plan amendment or Zoning By-law Amendment (ZBA) will adhere to the established planning process, which includes public meetings.

8. CONCLUSION:

The Invest Divest Land Strategy and Framework is a primary step in enhancing Town's existing internal policies and procedures. It identifies the necessary tools and resources needed to improve the management of the Town's land assets in a more informed, interactive context. As this foundation is established, further adaptation and ongoing refinements will be necessary to implement a more comprehensive land asset management program to address the ongoing needs and challenges associated with the management of Town's land assets.

APPROVALS

Prepared By: Camille Zeng, Asset Management Specialist

Reviewed By: Helene Freitag, Program Manager, Asset Management

Recommended By: Michael Vos, Director, Operations and Infrastructure
Steve Lee-Young, Director, Community Services

Approved By: Ryan Cronsberry, Chief Administrative Officer

Attachments:

Attachment 1: Final Invest Divest Land Strategy and Framework

Attachment 2: Town of Georgina Land Holdings

Attachment 3: Figure 1 enlarged (Map of land holdings)