

BRIEFING

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Item # 7.2.1

Deputy City Manager's Office
Combined Meeting of Council
2020 November 02

ISC: UNRESTRICTED
C2020-1205

Maximizing Asset Value Review Project Update

PURPOSE OF BRIEFING

The City of Calgary has large and wide-ranging asset portfolios. In response to recent challenges, including insufficient funding for specific projects, the current downtown tax shift discussions and other unforeseen challenges, Council requested that the asset portfolios be reviewed to maximize asset value. The purpose of this briefing report is to provide Council with an update on the progress and close out reporting responsibilities directed by Council.

SUPPORTING INFORMATION

Maximizing Asset Value Review (MAVR) was established to identify City assets that could be sold, in whole or in part, to produce greater value for Calgarians, and determine if such measures are feasible.

Administration began by creating a working group which included an Executive Governance Committee comprised of members of the Administrative Leadership Team (ALT), created principles in which to align to, established criteria for which to evaluate against and the creation and evaluation of a 'long list' of assets that could be considered for further due diligence.

This work was completed in 2019 but did experience delays in reporting due to significant executive changes in the governance membership as well, Administration was evaluating the interdependencies with the current Solutions for Achieving Value & Excellence (SAVE) program and The City of Calgary's Economic Resilience Task Force.

The MAVR working group determined that the most valuable and meaningful opportunities are derived from the disposition of surplus assets of land and buildings. It should be noted that practices are currently in place for the evaluation and disposal of underutilized asset of land and buildings assets as core service components within Real Estate & Development Services (RE&DS) as well as within Facility Management (FM).

During the SAVE program inter-dependency review, the MAVR project was initially considered within the scope of the SAVE program. SAVE opportunities were presented to ALT on 2020 July 13 for prioritization. The program team worked with Service Owners and their teams to create opportunity statements. These statements are analyses designed to provide the ALT with key information needed to decide which should progress into business cases.

After careful discussion, ALT decided to advance 46 initiatives to business cases. The SAVE program has spent the last few months working collaboratively with Service Owners and their teams to submit business cases to inform the upcoming Mid-Cycle Adjustments.

Due to the existing processes, governance and reporting practices with the RE&DS and FM services, the MAVR project was not considered a priority and will not advance to a business case under the SAVE program.

In addition to the SAVE dependencies and opportunities, the Economic Resilience Task Force put forward for consideration and approval at Council (C2020-0742) Priority 21 - Leverage Untapped Revenue Potential. Many of the considerations within Priority 21 were discovered and put forward as part of the MAVR project. Considerations included reviewing the administrative

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practices to generate a return on assets such as IT assets, land and building assets, advertising opportunities and the sale of other excess capacity or assets.

Strong governance supported processes and well proven practices are in place today to support the rationalization, evaluation and disposition of surplus assets throughout The Corporation. In addition, highly visible and Council directed activities are currently underway within The Corporation including the SAVE Program and The City of Calgary's Economic Resilience Task Force. The MAVR Executive Governance Committee feels this initiative is well underway. Crossover opportunities will ensure The Corporation continues to leverage untapped revenue potential and generate revenue from the new economy. As such, the MAVR Executive Governance Committee is recommending closure of this project.

ATTACHMENT

1. Previous Council Direction