

# UCS2020 - 1307

Corporate Land Strategy  
2020 December 16



## Recommendation

The SPC on Utilities and Corporate Services recommends that Council endorse the Corporate Land Strategy framework and direct Administration to report back on the outcomes achieved through the use of the framework no later than Q1 2022.





## Key Messages

- Framework aligns with Council's Citizen Priority of a "Well run City"
- Defines a strategic , portfolio-based approach to managing The City's land assets
- Promotes leveraging City land to support broader social, environmental and economic objectives
- The proposed governance structure, decision framework and tools allow opportunities to be identified and balanced with broader real estate and financial considerations
- The Corporate Land Strategy (CLS) aligns with other strategic initiatives and fiscal priorities of The City



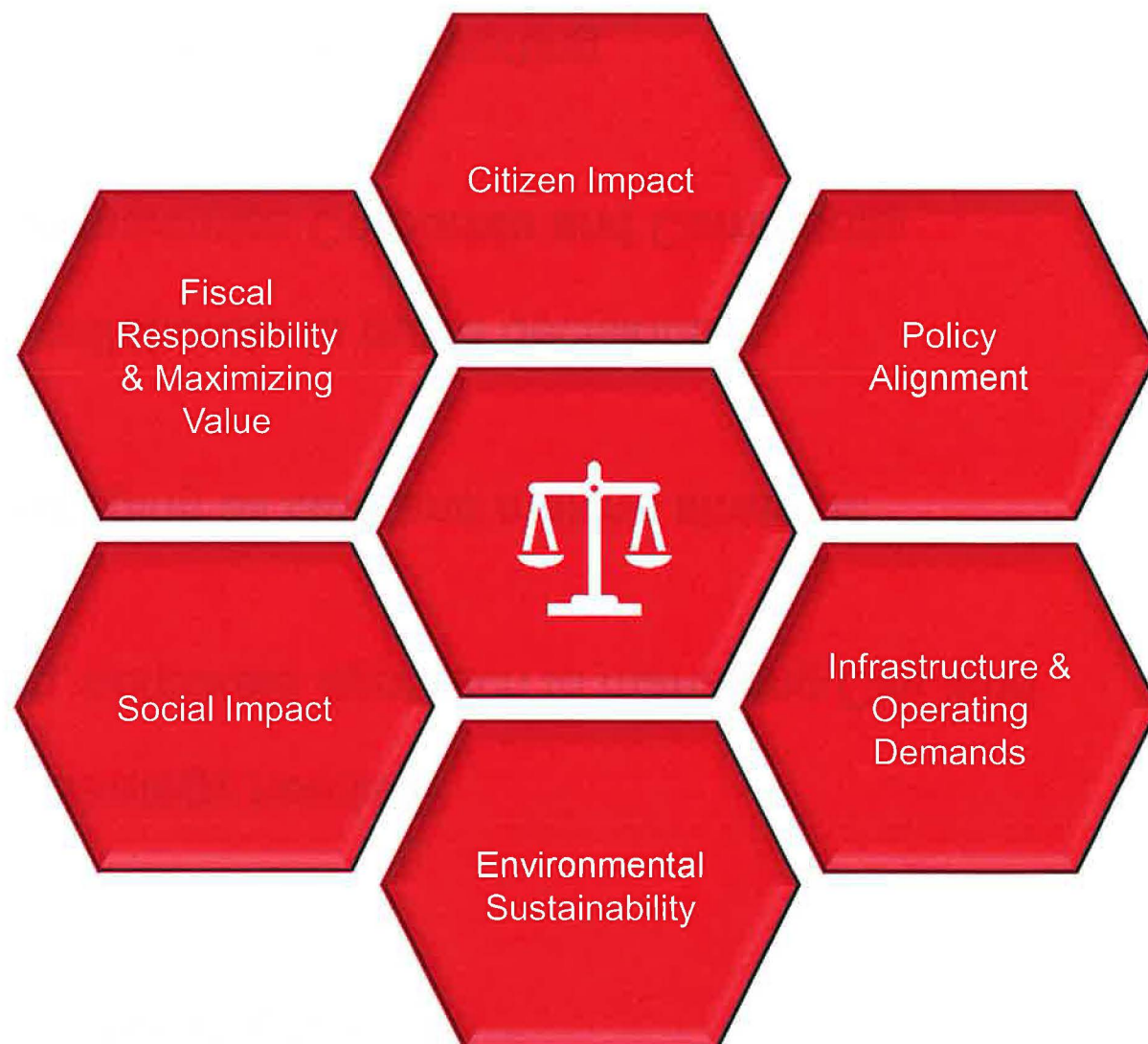
## Why is this important?

### Why is the Corporate Land Strategy needed?

- Providing an overarching, corporate approach to managing City land assets
- Portfolio-approach to managing all land and making strategic decisions
- One City – One Voice – collaborate to guide decisions
- Unlocking land value – to maximize Corporate and Community benefits
- Guide transparent decision-making and reporting
- Working with corporate partners towards implementation in 2021

## Corporate Land Strategy Analysis Criteria

Striving to balance the highest and best use of land in real estate terms with opportunities to support broader social, environmental & economic objectives (Triple Bottom Line)







# Example Prototype MODEL 1

## Multiple Land Decision Summary

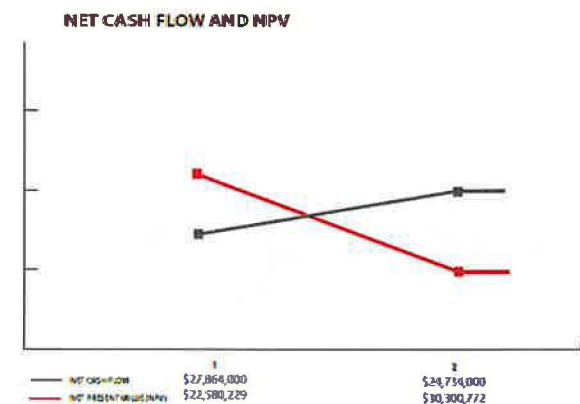
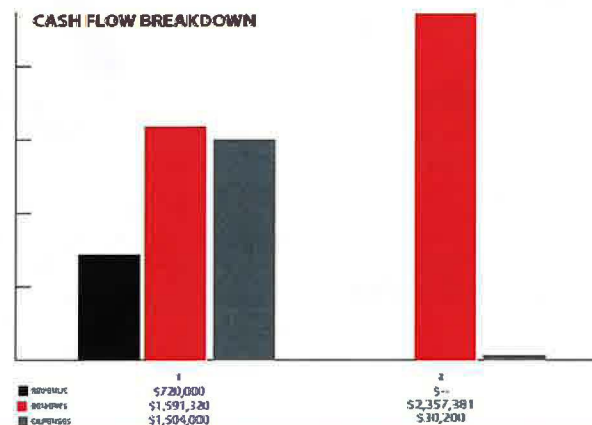
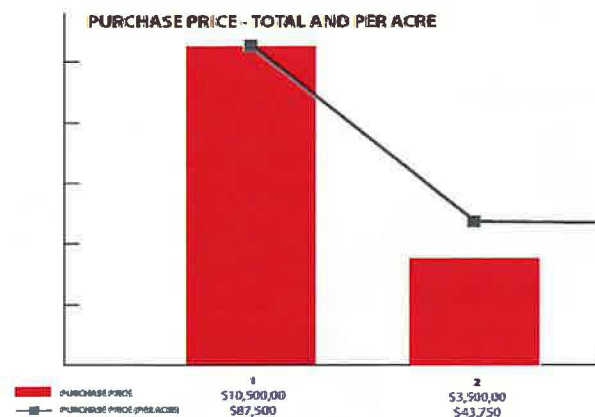
*Request: Site selection for future cemetery in SE Calgary*

**Review Summary:** Multiple land locations were considered and this outline presents the top two. The purpose of this report is to seek approval for the proposed Preferred Option 1, together with the buildings and improvements. The total estimated cost of \$10.5 Million which includes the proposed purchase price, acquisition fees and estimated additional costs. The funds will be available in Real Estate & Development Services Revolving Fund Program.

	Option 1: 10620 Peigan TR SE (PREFERRED)	Option 2: 4725 Glenmore TR SE (SECONDARY)
Parcel Size (acres)	120	80
Building Size (sq ft):	54,694	54,694
Purchase Date:	2021 January	2021 January
Purchase Price:	\$10.5 Million	\$3.5 Million
Purchase Price per acre:	\$87,500	\$43,750
Revenue:	\$720,000	N/A
Benefits:	\$1,591,320	\$2,357,381
Expenses:	\$1,504,000	\$30,022
Net Cash Flow:	\$(27,864,000)	\$(24,734,000)
Discount Rate (annual):	7%	7%
Net Present Value (NPV):	\$(22,580,229)	\$(30,300,772)



*Note: Detailed analysis was completed using the Corporate Land Strategy framework and is available upon request.*





# Example Prototype MODEL 2

## Alternate Land Use Decision Summary

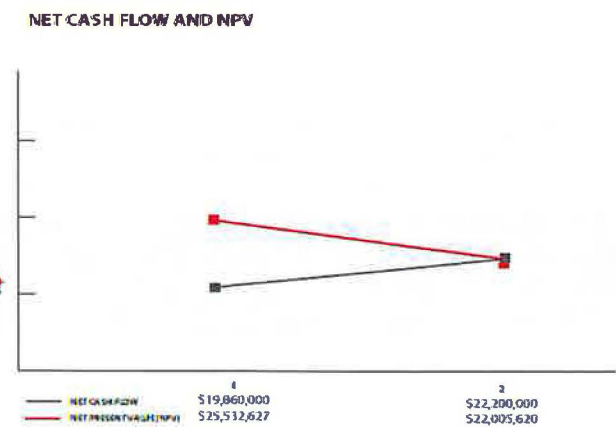
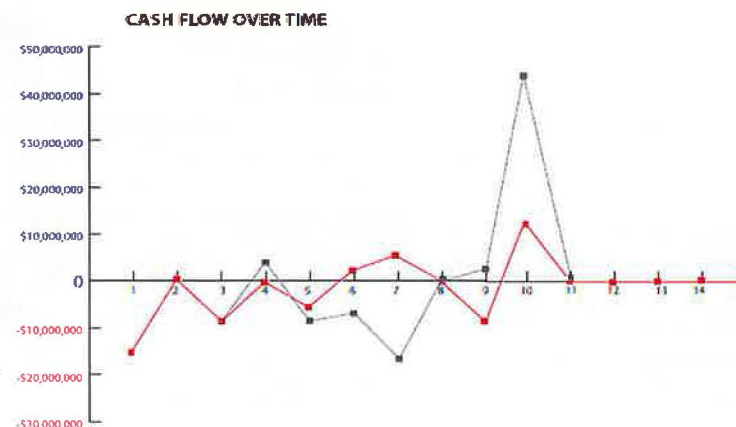
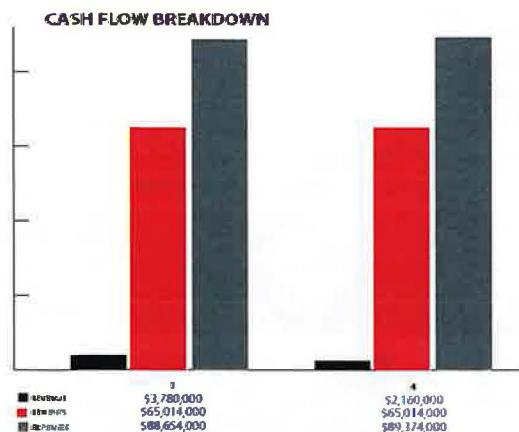
*Request: Proposed acquisition to alleviate current capacity issues at Spring Gardens*

**Review Summary:** Multiple land uses were considered and this outline presents the top two. The purpose of this summary is to seek approval for proposed Scenario 1, to acquire and reconfigure Spring Gardens (SG) Operations Workplace Centres (OWC) in year 4. The City can create a more efficient regional OWC that would also be economically advantageous as The City would rely less on existing satellite sites or the need to acquire and/or lease additional land.

	Scenario 1: Acquire & reconfigure in year 4	Scenario 2: Acquire & reconfigure in year 7
Parcel Size (acres)	11.8	11.8
Building Size (sq ft):	54,694	54,694
Purchase Date:	N/A	N/A
Purchase Price:	\$N/A	\$N/A
Purchase Price per acre:	\$XX	\$43,750
Revenue:	\$3,780,000	\$2,160,000
Benefits:	\$65,014,000	\$65,014,000
Expenses:	\$88,654,000	\$89,374,000
Net Cash Flow:	\$(19,860,000)	\$(22,200,000)
Discount Rate (annual):	7%	7%
Net Present Value (NPV):	\$(25,532,627)	\$(22,005,620)



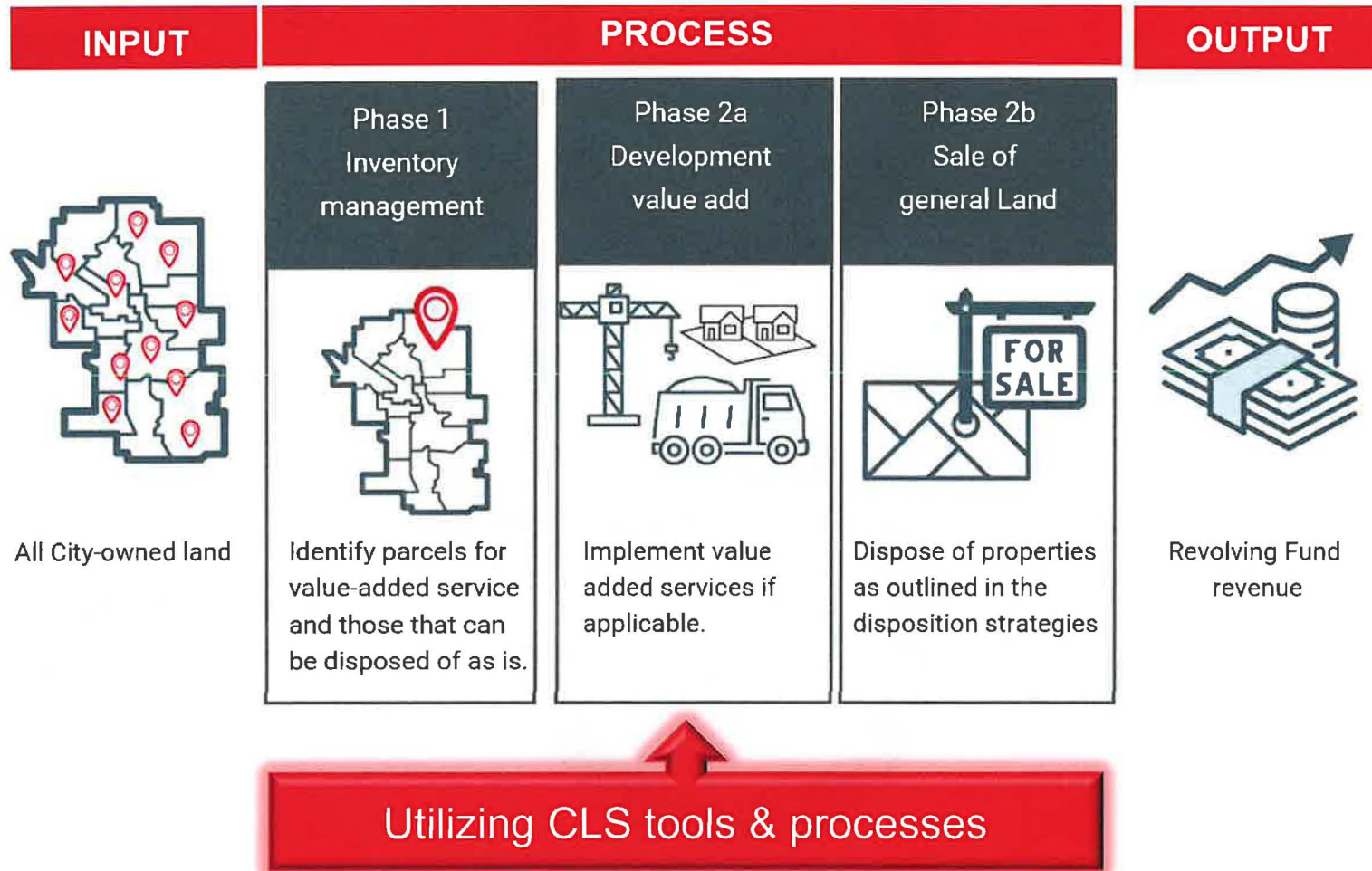
*Note: Detailed analysis was completed using the Corporate Land Strategy framework and is available upon request.*







# What is Enhanced Rationalization?



## Enhanced Rationalization & CLS Integration

**Enhanced  
Rationalization will  
enable...**

**Enhanced  
Rationalization will  
support by...**



**Corporate Land  
Strategy will provide...**

# Corporate Land Strategy: 12 Month Work plan

2020 November -  
2020 December



- ELT endorsement and support of governance, collaboration and decision model
- Council 1:1 engagement

2020 December -  
2021 January



- SPC on UCS (December 16)
- Council (2021)

2021 January -  
2021 February



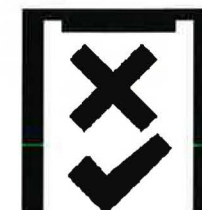
- Implementation Roadmap
- Governance Structure

2021 June



- RBA Dashboard to highlight opportunities and value/benefits realized

2021 Q4



- Pilot Project Assessment and Recommendations



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