

CITY OF CALGARY
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ITEM: LAS2014-01
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CITY CLERK'S OFFICE

30/01/2014

Corporate Services

Land & Asset Strategy Committee

Orientation

January 2014

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Onward/ The City of Calgary provides quality, cost effective, safe and innovative corporate assets that enable and support the provision of desired public and corporate services.



Governance

Legislation / Bylaws / Policies

- Municipal Government Act (*Alberta*)
- Expropriation Act
- Land Titles Act
- Law of Property Act
- Bylaw 52M2009 – Real Property Bylaw
- Corporate Properties & Buildings and Office of Land Servicing & Housing processes, policies and procedures

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Real Estate Roles

Council

- To approve real estate policies, procedures and guidelines that direct activities in the acquisition, disposition and occupation of real property
- To approve real estate transactions based on Council approved policy

Land & Asset Strategy Committee

- To review and recommend to Council real estate policies, procedures and guidelines that direct activities in the acquisition, disposition or occupation of real property
- To review and recommend to Council the approval of real estate transactions based on Council approved policy

Management Real Estate Review Committee

- To review all proposed real estate activities prior to their approval
- To approve real estate transactions in accordance with the delegated authority as outlined in Bylaw 52M2009
- To monitor on-going real estate activities and provide real estate expertise and guidance to Corporation

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Land & Asset Strategy Committee

Terms of Reference

Oversee The City's involvement in property transactions, and public policies and standards to which The Corporation's land and assets are managed by the Administration.

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Management Real Estate Review Committee



Consists of:

- General Manager, Corporate Services
- Director of Corporate Properties & Buildings
- Director of the Office of Land Servicing & Housing
- Manager, Land Division
- Coordinators of Real Estate
- Finance
- Law

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Real Property Bylaw



Bylaw 52M2009

The Real Property Bylaw delegates certain powers, duties and functions relating to the authorization and administration of real property transactions and to the administration and management of The City of Calgary's real property.

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Delegation Authority



Benefits

- Decrease in process time
(4-8 weeks for all Real Estate Transactions)
- Improved time to market for dispositions
- Improved relationship with vendors and purchasers
- Approving Authorities in line with current real estate prices, financial policies and other municipalities
- Comprehensive bylaw written in plain language

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Delegation Authority to Administration



City Manager further delegates the authority to Administration set out in Bylaw 52M2009

A Delegation Letter identifies the position that has further delegation authority

In the case where there is more than one position, any of the listed positions can exercise the delegated authority or can choose to forward up to the next level

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Types of Reports

Land Report

Required for Fee Simple Acquisitions, Stand Alone Dispositions, General Occupations and must be approved at Management Real Estate Review Committee or Council

Land Authorization Form

Required for the acquisitions of an easement, URW, restrictive covenant, disposition of a remnant or restrictive covenant under \$2M, occupations, occupation renewals, surrenders, demolition

Rectification Form

For the rectification of land reports, land authorization forms, agreements and documents

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Acquisitions Fee Simple Interest

Process

- At or below market value
- Purchase price \$2 million or less
- Council approved budget
- Land Report to MRER
- General Manager, Corporate Services

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Acquisitions Easement, URW, RC



Process

- At or below market value
- Purchase price \$2 million or less
- Council approved budget
- Land Authorization Form – No MRER
- Manager, Land Division

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Dispositions Stand Alone



Process

- Council Approved Method of Disposition
- Purchase price meets or exceeds reserve
- Complies with any terms & conditions imposed by Council
- Land Report to MRER
- Delegated Authority – General Manager, Corporate Services

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Dispositions Remnant



Process

- Under \$ 2 million
- Sold to adjoining owner
- OR originally dedicated and sold back to original owner at nominal value
- Land Authorization Form – no Land Report
- Delegated Authority – General Manager, Corporate Services

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General Occupations



Process

- Annual base rent if \$500,000 or less
- Term is month to month, year to year or fixed term of 5 years or less
- No more than 2 options to renew
- Funding for operating costs in a budget approved by Council
- Land Report to MRER
- Delegated Authority – Manager, Land Division

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Occupations Land Authorization Form



Process

- Any Occupation with a Term of 1 year or less or for the purpose of:
 - Landscaping, crop & pasture use
 - Residential tenancy, shoring, telecommunication installation, signs
 - Occupation of a road
 - Exercise of an option or right to renew – where City is the tenant
 - Surrender of an occupation
- Delegated Authority - Manager, Land Division

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Exercise of an Option or Right to Renew



Process - City is the Tenant

- Annual base rent if \$500,000 or less
- Term is month to month, year to year or fixed term of 5 years or less
- Funding for operating costs in a budget approved by Council
- Land Authorization Form – No MRER
- Delegated Authority - Manager, Land Division

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Exercise of an Option or Right to Renew



Process - City is the Landlord

- Annual base rent must be market value
- Attached circulation results identifying no municipal purpose
- Rectification Form
- Delegated Authority - Manager, Land Division

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Summary of Delegated Authority



Transaction Type	Document Required	Council MRER Individual	Authority
Acquisition under \$2M	Land Report	MRER	General Manager, Corporate Services
Acquisition over \$2M	Land Report	Council	Council
Remnant Sale under \$2M	Land Authorization Form	Individual	General Manager, Corporate Services
Remnant Sale over \$2M	Land Report	Council	Council
Method of Disposition	Land Report	Council	Council
Stand Alone Sale (approved method of disposition)	Land Report	MRER	General Manager, Corporate Services
Occupation under \$500,000	Land Report	MRER	Manager, Land Manager, Real Estate Sales & Marketing
Occupation over \$500,000	Land Report	Council	Council

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Real Estate Value

Market Value Definition

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

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Market Value

Definition (cont.)

Implicit in the definition of market value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests; and
3. a reasonable time is allowed for exposure in the open market.

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Appraisals

Appraisal Process

The valuation process develops a well supported estimate of a defined value, as of a specific date, based upon consideration of all pertinent, general and specific data.

Real estate is most commonly valued using one or more of three commonly accepted approaches recognized by Canadian Uniform Standards of Professional Appraisal Practice:

- Cost approach
- Income approach
- Direct comparison approach

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Expropriation

Expropriation Act

"expropriation" means the taking of land without the consent of the owner by an expropriating authority in the exercise of its statutory powers.

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Expropriation Timeline

	Action	Time	Notes
1	Recommendation by Administration to acquire property by expropriation → Notice of Intention to Expropriate (NOITE) prepared and served on owner(s)	varies	Council approval required
2	Service of NOITE → Certificate of Approval registration and served on owners	Statutory maximum of 150 days; expect 10-150 days	Council approval required
3	Service of Certificate of Approval → Possession of property	no sooner than 90 days; no maximum	Subject of negotiation between City and expropriated owner
Summary			
	Recommendation by Administration to acquire a property → Possession of property	Council approval of initiation of expropriation proceedings plus <u>minimum</u> of nine months	

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Compensation

Compensation Payable to an Owner after Acquisition by Expropriation

- After expropriating a property The City must, within 90 days, provide a "Proposed Payment" equal to fair compensation
- Within one year form the date The City makes the Proposed Payment, the owner may serve The City with an Application for Determination of Compensation and file it with the Land Compensation Board

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Types of Compensation

An owner may claim for:

- Market value
- Injurious affection
- Disturbance damages
- Legal and consultant costs
- Interest

Expropriation is a tool of last resort.

It is the most intrusive power a government has over private property interests.

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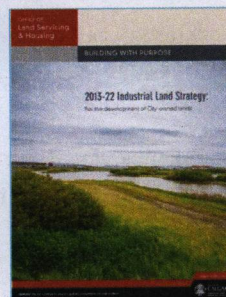
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Industrial Land

Program Vision

To lead in the creation of sustainable industrial parks that support economic development in Calgary and maximize long-term benefits for all Calgarians.



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Principles



Industrial Land Strategy Built from Five Principles:

1. Support local economic development
2. Achieve corporate objectives
3. Operate within our financial capacities
4. Foster a fair and transparent business environment
5. Attract the right business

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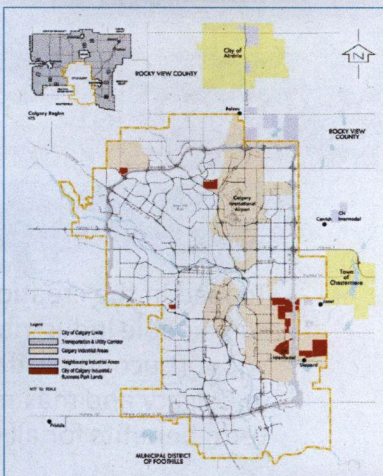


Projects



By Quadrant

- NW** • Royal Vista Business Park
- NE** • Aurora Business Park
- SE** • Dufferin Intermodal
• Pt. Trotter
• Forest Lawn Creek
• Shepard Industrial



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Affordable Housing

Guiding Principle

To deliver housing solutions that foster complete communities and a vibrant city; that address the housing affordability gap; and that achieve social, environmental and economic excellence.

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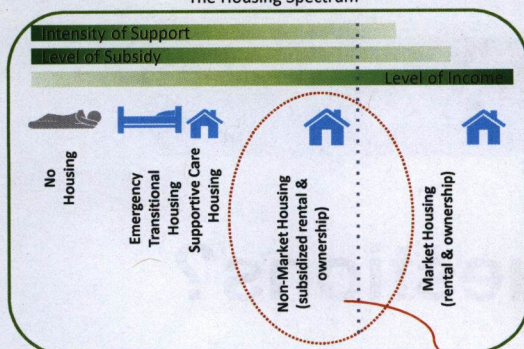
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Affordable Housing Contributions, 2008-2013

The Housing Spectrum



In consultation with the community and stakeholders, Administration is preparing an update to the Corporate Affordable Housing Strategy in 2014

A Comprehensive Approach



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Affordable Housing Contributions, 2008-2013

	2008	2009	2010	2011	2012	2013	Total
BUY	196	129	0	26	0	0	351
BUILD	0	0	0	97	0	0	97
PARTNER	88	304	103	0	0	0	495
INCENT	1034	30	54	1303	92	112	2625
Total	1318	463	157	1426	92	112	3568

The Calgary Housing Company also administers rent supplement programs with private landlords for over 3,800 units



Lomond



The Tree of Montreaux



The Bridges

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Thank You

Questions?

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