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CORPORATE LAND ACQUISITION POLICY

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, August 11, 2006, from the Commissioner of Corporate Services:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council approve the Corporate Land Acquisition Policy (attached as Appendix A); and

2. The Regional Solicitor be authorized to prepare any necessary land acquisition by-law or amendments required to give effect to this policy.

2. PURPOSE

The purpose of this report is to seek Regional Council's approval to establish a Corporate Land Acquisition Policy to formalize a more efficient and transparent process for acquiring lands, and to incorporate existing authorization of the Commissioner of Corporate Services to approve land acquisitions, provided that total compensation does not exceed $50,000.00.

3. BACKGROUND

There are generally four methods by which the Corporation can acquire land:

1. Through acquisition by the Property Services Branch, either pursuant to a negotiated agreement or as a result of a land expropriation;
2. As a condition of approval for plans of subdivision;
3. As a condition of the granting of consents by Committees of Adjustment; and
4. Pursuant to site plan agreements between the Region, area municipalities and the landowner.

Client departments determine the location, size and characteristics of any real estate to be acquired by the Property Services Branch. While the Branch's major client is the Transportation and Works Department, whose requirements primarily consist of land acquisitions for road widening, and permanent easements for the installation of water-mains and sewers, additional land acquisitions are carried out for Rapidco (VIVA), EMS, York Regional Police, in addition to property for Regional offices. The Branch also obtains Permissions to Enter, and Temporary Construction Easements, in conjunction with the various Regional infrastructure projects.

4. ANALYSIS AND OPTIONS

The Property Services Branch can increase its effectiveness and efficiency in carrying out land transactions by establishing a new corporate policy on Regional land acquisition. For example, substantial efficiencies can be gained if the time period between the signing of a land acquisition agreement, the closing date, and receiving of compensation is shortened. For the majority of cases, this can be better accomplished by implementing specific and clear policies which further incorporates the existing authorization of the Commissioner of Corporate Services to approve land acquisitions, provided the total compensation value does not exceed $50,000.

In 2005, the Property Services Branch processed 83 land acquisition agreements, 67 of these had a total value under $50,000. The Branch also completed 8 expropriations and settled 13 outstanding expropriation cases.

The need for a Corporate Land Acquisition Policy was identified as a priority through the Region's internal audit process, and the Branch is now acting upon this advice. The following policies establish clear guidance for acquiring Real Property under specific areas of the Branch's responsibilities.

4.1 Regional Land Acquisition Policies

4.1.1 Acquisition of Land for Capital Works Projects

The Property Services Branch shall be responsible for the acquisition of lands, including easements, for Regional capital works projects including roads, waterworks and sewers, Regional and Rapid Transit/Transit facilities. In carrying out its corporate mandate, the Property Services Branch shall:

a) Consider and make recommendations on the need to hire consultants (in accordance with the Region's Purchasing By-law);
b) Make recommendations to environmental and design consultants on impacts and options;
c) Attend public meetings to note the concerns of property owners and answer questions about the acquisition process;
d) Arrange for, or carry out, appraisals and environmental audits for negotiation purposes and provide advice on land purchase costs;
e) Arrange for, or carry out, negotiations with individual landowners, and prepare and obtain offers and other documents required for land acquisitions;
f) Prepare and present reports to Regional Council (allowing a minimum period of 6 months for most acquisitions and 12 to 15 months if expropriation is necessary);

g) Advise Council on expropriation matters where and when appropriate, and if directed, proceed with the acquisition, negotiations for settlement of compensation and all steps necessary under *The Expropriations Act*; and
h) Liaise with Regional staff to co-ordinate land acquisition with the tender of contracts for construction.

4.1.2 Acquisition of Land or Facilities for Departmental Accommodation

The Property Services Branch shall co-ordinate the acquisition of land and buildings for Regional departments by purchase, or the renewal/negotiation of lease. Staff will provide this service to client departments, ensuring that the Branch:

a) Plans for, and co-ordinates accommodation requirements among all Regional departments, in accordance with all corporate policies and strategies, including the Region's Strategic Accommodation Plan;
b) Is responsive to client department requirements;
c) Provides accommodation at the best price, terms and conditions available in the marketplace; and
d) Takes into account long-term corporate goals and objectives.

Additionally, Property Services Branch staff shall:

a) Arrange for the participation of all appropriate staff and consultants;
b) Advise client departments on market, alternative arrangements and negotiation strategies;
c) Co-ordinate negotiations;
d) Prepare and obtain offers and other documents required for land acquisitions and prepare and present appropriate reports to Regional Council;
e) Provide advice to client departments as to lease interpretation and legislative requirements; and
f) Ensure that all land transactions are approved by the Region's Legal Branch.

4.1.3 Environmental Audits

Where any land or interest in land is being acquired by the Region, due diligence, in the form of environmental audits, shall be exercised to ensure the interests of the Corporation will not be adversely affected by the presence of any containment or environmental hazard upon, in, under or passing through the subject lands, except to the extent that circumstances warrant, or by Council direction.

4.2 Delegation of Authority and Special Procedures

4.2.1 Where a capital project has received Council approval and the acquisition of all necessary land has been authorized, the Commissioner of Corporate Services shall be authorized to approve the individual acquisition agreements for lands, provided the total compensation value does not exceed $50,000. All related documents shall be approved by the Regional Solicitor prior to execution. Acquisition agreements shall include negotiated agreements, as well as offers made under Sections 25 and 30 of The *Expropriations Act.*

4.2.2 Where the total compensation value of the agreement exceeds $50,000, the amount of compensation shall be approved by Regional Council and any documents to be executed shall be approved by the Regional Solicitor prior to execution.

4.2.3 Where the total amount of compensation is less than $100,000, an internal review of the land value shall be carried out by Regional staff, taking into account comparable sales in the area of the subject lands prior to determining current market value. Where total compensation is to between $100,000 and $1 Million, a formal appraisal of the subject property shall prepared by an independent accredited appraiser to ensure maximum transparency in the process. Where total compensation is estimated to be greater than $1 Million, 2 formal appraisals shall be obtained from independent accredited appraisers.

4.2.4 Notwithstanding, Regional Council may direct that special arrangements be made or procedures be adopted with respect to the acquisition of land and for that purpose, may by by-law, delegate the authority to negotiate or approve the acquisition of land to a Committee of Council, Members of Council, staff or special agent.

4.3 Strategic Land Acquisition Policies

The Region's Strategic Accommodation Plan (SAP) was adopted by Council on September 22, 2005. The Plan established short and medium term plans to provide for the Region's future accommodation requirements over the next 5-10 years through a variety of means, including strategic land acquisition. The Plan already contains a number of policies which authorize Property Services staff to strategically consolidate and acquire real property within the Region's southern tier to gradually balance the location of Regional services with the location of the majority of its citizens.

Real estate values continue to rise over time. As the Region's urban envelopes expand, there are fewer parcels of any significant size available for future Regional requirements. The recent Provincial Places to Grow Strategy and Greenbelt Plan further restrict available land options. The SAP recognizes there are efficiencies within the real estate market to be gained through strategic acquisition of key parcels for future Regional uses (e.g. future transit operation and maintenance facilities).

The SAP establishes a Regional accommodation strategy to save significant taxpayer dollars over the long term by eliminating older costly facilities, consolidation of services, reducing leasing costs, and relocating more Regional services to the southern tier. This new Corporate Land Acquisition Policy would establish a clearer direction and authorization to staff to assemble parcels of land required to implement the SAP while these parcels are still available and at a reasonable cost.

- The Property Services Branch is authorized to assemble land parcels required to implement approved future Regional uses, provided the following criteria are satisfied:

  a) Future Regional uses and the specific program requirements justifying the land acquisition shall be outlined within a Regional document approved by Regional Council;

  b) Lands proposed for acquisition shall be consistent with and in conformity to the location criteria and other policies specified in the Strategic Accommodation Plan, or other Corporate Plans, Strategies or Programs, which have been approved by Regional Council; and

  c) All land acquisitions, with a compensation value over $50,000, shall be subject to the approval of Regional Council and the Regional Solicitor.

5. FINANCIAL IMPLICATIONS

The implementation of a corporate land acquisition policy shall ensure a better co-ordinated, more effective and cost effective system of purchasing, expropriating or otherwise acquiring Regional land and facilities, which will maximize cost savings and improve Branch and Corporate efficiencies.

6. LOCAL MUNICIPAL IMPACT

There are no local municipal implications associated with this report.

7. CONCLUSION

The formalization of Regional land acquisition practices, through the implementation of a corporate land acquisition policy shall ensure a more effective, efficient, co-ordinated and transparent system of purchasing, expropriating or otherwise acquiring Regional land and facilities. Council should therefore approve the recommended corporate land acquisition policy.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)