

REPORT TO: Council
REPORT FROM: Corporate Services and Development Services
PRESENTED: July 26, 2016
SUBJECT: Long Term Facilities and Real Estate Strategy

FOR: Committee of the Whole
FILE: LTREFS

Objective:

That Council is aligned with the proposed approach for Request for Proposals for a Long Term Real Estate Strategy and Action Plan.

1. Executive Summary:

In 2016 Budget, Council included \$40,000 for the completion of a Long-Term Real Estate and Facilities Strategy and Action Plan ("Strategy"). A Request for Proposals ("RFP") will be issued in early August to select a consultant to assist the District in the development of the Strategy.

2. Background:

The District manages a large and diverse portfolio of lands and buildings that house District staff and services. This portfolio will grow as the community grows. Currently though, there is no strategic approach to ensure the District will have facilities and lands to meet the needs of the community through the replacement, expansion or redevelopment of existing facilities and/or the acquisition or disposition of lands and buildings.

In the absence of a strategy, facilities and land decisions are currently:

- Ad hoc and based on current market opportunities as they present themselves, rather than proactively fulfilling Council strategic priorities or the District's current policies (i.e. OCP) and plans (i.e. Fire Master Plan, Parks and Recreation Master Plan)
- Not considered in the context of a comprehensive list of the District needs
- Made without a sense of the District's priorities
- Maintenance/replacement plans are based on condition assessments only; it is uncertain if facilities are meeting public demand (i.e. the right function)

Further, the financial planning of the District, proactive grant procurement, and acquisition of community amenities through rezoning applications are not formally aligned with the future facilities needs of the District to ensure optimal funding is available to support future investments.

Despite these challenges, this approach has not negatively impacted the District yet, but District facilities are aging, Squamish is rapidly growing, land is constrained and increasing in value and the District's financial resources are limited. Therefore, the need for a Strategy is timely and to that end Council included \$40,000 in the 2016 Operating Budget for its development.

Prior to drafting the RFP, the communities of Vancouver, Surrey, Kelowna and Nanaimo were contacted to identify strategic approaches that could be applied to Squamish. The research confirmed that the challenges facing the District, as outlined above, are found elsewhere. Unfortunately, no “off the shelf” approach was identified. However, key objectives for the Strategy did emerge - ensuring facilities are being maintained/replaced/acquired/disposed of to ensure the District’s portfolio is providing the right function (service) to the community, in the right location, at the right cost/optimal funding method and at the right time.

Meanwhile, work has been advancing on two key strategic, priority facilities projects – the redevelopment of Municipal Hall and the expansion of Brennan Park Recreation Centre.

3. Project Information:

An RFP has been developed and will be issued in August to retain a consultant to assist the District in developing the Strategy to address the key challenges identified in the above background information. It is anticipated that proposals will include an initial draft of a high-level project plan that identifies deliverables and an approach to ensuring District Council is aligned with the Strategy. The Strategy will also include future goals and key action items to achieve success. These action items could be structured as short, medium and long term to reflect possible land inventory and resource constraints (e.g. staffing and funding). Additional internal challenges may exist; identifying these should be considered within the scope of this strategy to ensure deliverables meet the greater needs of the organization.

The final list of deliverables will be agreed upon between the selected consultant and the District. At this point, however, the key deliverables anticipated for the project will include:

- a) ensuring all of the District’s **future needs are identified** to support service delivery reflecting the community’s growth to 2040
- b) establishing appropriate organization-wide **governance** of real estate and facilities decision making
- c) developing **a system to prioritize** the District’s land acquisitions/dispositions and facility replacements/retrofits, for example:
 - a. provincially or federally legislated requirement
 - b. health and safety requirement
 - c. limited land options anticipated in future
 - d. importance of service to the community
- d) alignment of financial planning and Development Services’ process (i.e. community amenity contributions through rezoning) to ensure the **optimal funding is in place** for, and to assist with potential land acquisitions and facility replacements
- e) **developing a prioritized list** of acquisitions/dispositions and facility replacements/retrofits based on current information available (including preliminary estimates of cost)
- f) developing an approach to **populate annual work plans/processes** for Real Estate Services (transaction list), Facilities Management (replacements, maintenance), Financial Services (long-term capital planning, budgeting), Development Services (community amenity contributions) based on needs identified as of now, and based on financial realities of the District

- developing an approach to **incorporate future needs identified** (if required) into the prioritized list
- **benchmarking** the success of the Strategy
- identifying any **policy/bylaw updates** required to support the final Strategy

While the Strategy is being completed, work will also continue with the Municipal Hall and Brennan Park Recreation Centre projects. Phase 1 of the Municipal Hall redevelopment is a staff driven 7 step process designed to establish governance for the project, develop project vision and scope, estimate costs of construction, review funding options/considerations, identify any real estate implications, develop a Council/community engagement plan and establish endorsement from Council on a project plan going forward. It is proposed that Phase 1 of the Municipal Hall Redevelopment will continue in parallel with the Strategy. Future Phases 2-4 will align with the completion of the Strategy so that any findings from the Strategy can be incorporated into the Municipal Hall redevelopment prior to hiring a consultant to advance that project.

For Brennan Park, Stage 1 of 4 have been completed. The next steps in the process are to (1) create a team to provide governance to the project, (2) connect with Development Services regarding the land use options for the project and the potential support of community amenity contributions, and (3) to look at potential funding options for the project. As mentioned above, governance for facilities and real estate decisions and links with Development Services and community amenity contributions are anticipated as part of the Strategy. Therefore, it is proposed that these next steps for Brennan Park be explored in the context of the Strategy to ensure consistency between this project and other potential District projects.

4. **Implications:**

a) **Budget:**

The 2016 Budget currently includes \$40,000 for the development of the Strategy.

b) **Organizational Impact:**

An internal team will be established to administer the RFP and provide oversight of the consulting contract and Council/community engagement where necessary. This internal team will consist of the Core Leadership Team, plus the Department Heads from Real Estate, Facilities, Planning, Recreation and Operations. The prospective consultants will be asked to identify in their proposal's opportunities where the District could support the project.

c) **Policy:**

None.

d) **Environment:**

None.

e) **Council Priority and Strategic Plan Alignment:**

Council's Strategic Plan includes the following goal:

Complete a real estate and municipal facilities strategy and action plan.

f) **Citizen Engagement**

A citizen engagement strategy will be included in the proposal from the prospective consultants.

g) **Implementation**

The proposed timelines for the Strategy are:

- *August 1* – RFP Launch
- *September 16* – RFP Closes
- *October 4* – Consultant Selected
- *October 15* – Strategy development launched
- *December 31* – Strategy completed
- *Throughout* – Council engagement

5. Staff Review

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CAO Recommendation:

That the recommendation of Corporate Services and Development Services Departments be approved.

L. Glenday, CAO