

REPORT TO: Council FOR: COW
 REPORT FROM: Development Services and Public Works
 PRESENTED: October 13th 2015 FILE:
 SUBJECT: Long Range Real Estate and Facilities Plan – scoping recommendations

Recommendation:

That Council approve the following resolution(s):

THAT Council provide direction on continuing leasing District facilities to non-profit organizations and societies as part of the scoping of the Long Term Real Estate and Facilities Strategy.

1. Executive Summary:

Council has endorsed in its Strategic Plan the development of a Long Term Real Estate and Facilities Strategy (LTREFS) for 2016.

Staff are currently preparing for this project and are considering the scope. Staff are seeking direction on whether the District of Squamish should continue to provide facilities to non profit organizations as part of the ongoing support provided, as there are substantial costs associated in the long term with the operation, maintenance and replacement of these buildings.

2. Background:

The District of Squamish currently provides financial and building support to 3 non profit organisations as follows:

	Land	Building	Repairs	Utilities	Operations	Lease expiry
Youth Centre	\$1	\$1	\$3,500/yr		\$252,000/yr	2014
Homeless Drop in Centre	\$1	\$1	\$500/yr			2018
Arts Council building	\$1	\$1	\$750/yr	\$9,000		2010

RDH Engineering inspected these buildings as part of the facility asset management project in 2010 and identified the following deferred maintenance costs, as well as future replacement costs:

Building	Catch up (deferred maintenance)	5 years	5 - 10 years	Total
Youth Centre	\$ 219,152	\$ 133,570	\$ 70,000	\$ 422,722
Arts Council Building	\$ 20,210	\$ 40,210	\$ 71,000	\$ 131,420
Drop in Centre	\$ 23,880	\$ 18,950	\$ 90,000	\$ 132,830
TOTAL				\$ 686,972

3. Project Information:

Staff have submitted a budget request for 2016 for a LTREFS that will deliver the following:

- A long-term acquisition/disposition/facilities replacement plan for Council endorsement that will:
 - Strategically guide the acquisition and disposition of District real estate, annual work plans, and budgeting for transaction costs/disposition revenues.
 - Identify the future capital requirements of the District of Squamish for facilities replacements.

Because of the ongoing maintenance costs associated with the buildings used by non-profits, and the costs associated with the eventual replacement of those buildings, as part of the LTREFS scope, Staff are considering the degree and nature of financial support offered to non profit groups:

- Current District financial support for these buildings is a significant amount and needs to be confirmed for purposes of compiling the LTREFS and providing guidance to the consultant. It could significantly decrease the potential costs associated with the Strategy.
- Individual non profit organizations need to know for long term planning.
- The District needs to consider that additional non-profit organizations may request asking for similar assistance as the community grows.

The options for support are as follows:

- Continue status quo – combination of building, maintenance and grant. RDH engineering identified \$687,000 of costs over 10 years in building repairs and replacements.
- OR consider changing the support offered (from a landlord – tenant relationship, with the associated costs) to any combination of the following:
 - a. Incorporate the programme into underutilized District facilities where possible to reduce maintenance costs.
 - b. Grants in Aid – provide cash only to pay for rental of commercial space.
 - c. Provide land only (for example Castle Rock).

- d. Service delivery payment – incorporate facility support in payment for service.

Staff are recommending the following:

Immediate (early 2016):

- The LTREFS consider provision for the District providing alternate forms of support to non profits in the longer term (outside of providing buildings as a landlord) and that the Strategy include a plan for phasing out and relocating these licences/leases.

Rationale:

- This will allow the District to reduce its costs as a landlord;
- It will lessen the risk of major expenses for unexpected building repairs;
- Lastly it may allow the District to repurpose or dispose of these buildings/land. This would be determined as part of the LTREFS and approved by Council.

Short term (within 3 years):

- Create a transition plan for the existing non profits based on the remaining options as their lease expires.

4. Implications:

a) Budget:

Exact implications for budget will not be known until the individual leases are negotiated and support identified.

b) Organizational Impact:

Impact to the organization is minimal.

c) Policy:

No policy currently exists and the Long Term Real Estate Strategy is intended to be the guiding policy for how facilities are maintained, retained, leased, utilized, subject to Council approval.

d) Environment:

Not applicable.

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

This recommendation is aligned with the Community Strategic 3.2.5. Complete a real estate and municipal facilities strategy.

f) **Citizen Engagement**

If the recommendation is approved by Council, affected organisations will be directly engaged by Staff as part of the support negotiation process. This is IAP2 level consultation.

g) **Implementation**

The scope of the LTREFS would be adjusted to reflect this recommendation.

5. **Attachments:**

1. None

6. **Alternatives to Staff Recommendation:**

THAT the current provision of financial and building support for these 3 organisations continue.

7. **Staff Review**

Prepared By:

Camilla Say, Facilities Manager

Reviewed By:

Robin Arthurs, General Manager of Corporate Services

Joanne Greenlees, General Manager of Financial Services

Gary Buxton, General Manager of Development Services and Public Works

CAO Recommendation:

That the recommendation of the Facilities Department be approved.

Linda Glenday, Acting CAO