



CITY OF HAMILTON
CITY MANAGER'S OFFICE

CORPORATE SERVICES DEPARTMENT
Finance, Administration & Revenue Generation

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	August 8, 2016
SUBJECT/REPORT NO:	Land Development Task Force (CM16010) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	John Hertel 905-546-2424 ext. 2739
SUBMITTED BY:	John Hertel Director, Finance, Administration, and Revenue Generation Corporate Services Department
SIGNATURE:	Chris Murray City Manager City Manager's Office

RECOMMENDATIONS

- (a) That the City Manager be directed to establish an internal staff team to lead the Land Development Task Force work plan development and implementation;
- (b) That the internal team be assembled through realigning existing staff work priorities versus adding resources, with the exception that 1 Program Manager be recruited from within the Corporation as a contract position for up to 3 years;
- (c) That the Program Manager position be funded from the current Planning & Economic Development Department budget in 2016, and funded in 2017 and beyond from new revenues generated by the Task Force;
- (d) That any future incremental staff requirements also be funded from new revenues generated by the Task Force;
- (e) That the Task Force also serve as a vehicle for prioritizing future Corporate land development projects to determine if they would be led by a) the Task Force or b) the regular departmental staff;
- (f) That the principles outlined in this report determine the project priorities in the Task Force's work plan;

- (g) Staff be directed to provide an Information Report on the progress and activities of the Task Force be provided to GIC every 6 months;
- (h) That the Terms of Reference for the Land Development Task Force, attached as Appendix “C” to Report CM16010, be approved;
- (i) That the item respecting the Terms of Reference for the Land Development Task Force be considered complete and removed from the GIC outstanding business list; and
- (j) That the matter respecting City Hall Property be considered complete and removed from the GIC outstanding business list.

EXECUTIVE SUMMARY

This report responds to a Motion (see Appendix “A”) by Mayor Eisenberger approved by Council on March 9, 2016 regarding the establishment of a Land Development Task Force.

The City of Hamilton owns approximately 2,000 properties representing over 25,000 acres, some of which have the potential to be leveraged for broader community-building initiatives to achieve Council priorities for the City. Importantly, vacant and underutilized City properties may present opportunities for value maximization through strategic repurposing, consolidation, or disposition.

The Mayor, each Councillor, and a number of internal and external sources were consulted in formulating the framework outline in this report. The report contains a proposal for a governance model and organization structure, Terms of Reference, a work plan process, and a short list of potential projects that could form the work plan.

A variety of models were considered, with the conclusion that the most appropriate model to start would be a model that leverages internal staff and their expertise. The team would be assembled by adjusting work assignments without increasing the staff complement.

The main priorities of the team will focus on 1) leveraging existing properties to maximize strategic outcomes and revenue generation, 2) identifying opportunities that facilitate the development of affordable housing, and 3) identifying opportunities that promote non-residential tax growth.

Details concerning the team’s work plan and near term focus are contained on page 6.

Alternatives for Consideration – None

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

- Financial:** No additional administrative expense variances to 2016 budgets are anticipated. The experience gained in 2016 will inform requirements going forward as part of the 2017 budget process. It is anticipated that any incremental staff requirements will be funded from proceeds realized in 2017 and beyond.
- Staffing:** No direct impact on FTE's. The Task Force is being staffed by realigning work assignments. See Appendix "B" for the proposed organization and resource structure.
- Legal:** Legal Services has assigned an individual as a member of the Staff Advisory Team to coordinate support as required.

HISTORICAL BACKGROUND

On March 9, 2016 Council approved a motion by Mayor Eisenberger to investigate the establishment of a Land Development team to focus on opportunities for the City to leverage its approximately 2000 properties for maximum city building and revenue generating opportunities. (see Appendix "A").

In order to identify a preliminary list of opportunities across the city and within each Ward, individual discussions were conducted with each member of Council and the Mayor. In addition, the Manager Real Estate and the Manager Urban Renewal were consulted for input and expertise. Collectively a number of concepts and opportunities were identified for further investigation or as a marker for work currently underway within department staff. Further, internal and external resources were contacted to gather input towards the framework for this work.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not Applicable

RELEVANT CONSULTATION

- Mayor Fred Eisenberger
- All City Councillors
- City Manager
- General Manager, Planning and Economic Development
- General Manager, Finance and Corporate Services
- CEO, City Housing Hamilton
- Director, Housing Services
- Director, Facilities Management and Capital Programs
- Legal Services
- Manager, Real Estate

- Manager, Urban Renewal
- Housing and West Harbour Planner
- Deloitte
- National Executive Forum on Public Property
- Urban Land Institute

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The City of Hamilton owns approximately 2000 properties. The Real Estate section within the Planning and Economic Development Department is responsible, in collaboration with Facilities and the operating departments, to manage these assets in terms of acquisition, disposal, and rationalization. In some circumstances the opportunities to leverage these City assets are time sensitive, complex, and cut across a variety of internal and external stakeholders.

To more proactively and comprehensively deal with these types of opportunities, teams have from time to time been established to bring these projects to fruition. The West Harbour Waterfront Development project is a notable example, and more recently the LRT team is being established.

To more aggressively and strategically review and develop similar opportunities, Mayor and Council directed the establishment of a Land Development Task Force.

What follows is a summary, along with supporting discussion, of the Draft Terms of Reference, Work Plan Process, Work Plan Priorities, and Task Force Organization:

Governance Model:

Different governance models were reviewed in discussions with each Councillor and the Mayor. In addition, materials were provided by the City's Legal Services Department, the National Executive Forum on Public Property, and the Urban Land Institute. Models in other municipalities were reviewed in previous report, "Creation of a Hamilton Waterfront Corporation (PED09200/CMO9011)".

An internal staff model is strongly supported as the initial model for the following reasons:

1. The expertise exists within the Corporation.
2. It would be the most cost effective model to establish.
3. It is the model that would keep the Task Force closest to the issues and priorities of Council on a real time basis.
4. It allows the flexibility to make adjustments in the future if bottom line benefits to the City would be better served by an agency or corporation for a specific project or program.

5. This model leverages both existing staff and governance to provide an efficient relationship with Council for information and required approvals i.e. reporting to General Issues Committee.
6. As the work of the Task Force moves forward and it is determined that a different model would bring greater value to the City either financially or strategically, a report and recommendation will be brought to Council for consideration at the appropriate time.

Task Force Work Plan Principles:

1. Priority is given to situations where a degree of complexity exists that make it challenging for existing departmental staff teams to complete the work in a timely fashion.
2. Projects are to be focused on strategic outcomes as well as revenue generation, and particularly those that also have a sense of urgency and immediacy for completion.
3. Existing roles and responsibilities of departmental staff will not duplicated.
4. Projects will be largely, but not exclusively, aligned with downtowns, and the nodes and corridors.
5. Open to partnerships to maximize strategic outcome opportunities.
6. City real estate assets are recognized as a corporate resource and should be prioritized from a City-wide perspective versus departmental basis.
7. Departments negatively impacted as a result of a Task Force initiatives e.g. removed from property, will be made whole in the most efficient manner.

Task Force Work Plan Focus:

1. Revenue generation opportunities
2. Identify opportunities to facilitate affordable housing
3. Non-residential tax growth
4. Strategic City building

Relationship to Existing Department Staff:

A significant amount of work related to City properties is conducted by departmental staff in the normal course of business, and therefore the Task Force should:

1. Narrow its focus to complex, time sensitive opportunities that are difficult to coordinate within the traditional departmental staff work plan framework; and
2. Not duplicate the efforts related to the ongoing departmental staff work but should ensure that all identified opportunities are appropriately prioritized and included in departmental work plans or within the mandate of the Task Force; and

3. Stay connected to the ongoing departmental efforts to assist in the prioritization of their work plans.

Work Plan Process:

- a) An immediate next step will involve a detailed, proactive review of the City's approximately 2000 properties, and assessed under unique categories such as revenue generation, affordable housing, repurposing, intensification, and community/neighbourhood development, to determine potential opportunities. This proactive approach will enable staff to look at opportunities through both a revenue and city building lens as opposed to simply reacting to properties that are identified as no longer being required. To be completed by year end 2016.
- b) Upon completion of this review a detailed work plan will be presented to Council for consideration and approval. The Task Force will engage in ongoing communication with internal and external stakeholders throughout the review.
- c) Related motions approved by Council will be incorporated into the review and actioned accordingly.
- d) It is proposed that the Task Force consider both stand-alone projects, as well as sub-projects that could be targeted within a much broader initiative.

Proposed Near Term Focus of the Task Force:

- a) City Hall Precinct:
 1. In response to Motion "City Hall Property (Pad of Land at the Back of City Hall) approved by Council April 27, 2016.
 2. A call for consultation on opportunities has been prepared and will be issued following Committee, to ask for interested parties to identify proposed concepts.
- b) Affordable Housing property opportunities;
 1. Supporting the (to be created) Affordable Housing Subcommittee to identify priority sites and structure site action plans.
 2. Task Force to be available to coordinate appropriate partners and resources for implementation of targeted priority projects.
- c) Potential near-term projects to be articulated on properties initially identified with potential development opportunity, for example 191 York Boulevard, Stoney Creek Municipal Service Centre, Wentworth Lodge excess lands.
- d) Liaise with the West Harbour Development and LRT teams to be alert to strategic opportunities.

Task Force Organization Proposal (see Appendix "B")

- a) Task Force Director to be assigned and will dedicate 50% of time, reporting directly to the City Manager.
- b) A portion of the Revenue Generation team's work plan will be integrated into the Task Force.

- c) A Program Manager to be recruited from existing staff, dedicated 100% to the Task Force, reporting to the Director.
- d) A small team of staff advisors e.g. Manager Real Estate, Manager Urban Renewal, etc. would meet regularly with the Task Force leadership.
- e) Individual Project Managers will be assigned as required, but stay within their home organizations; the Task Force project would be the individual's priority during a scheduled period of time e.g. to complete a review of the City's 2000 properties over a six month period.
- f) For each major project e.g. City Hall precinct, a cross departmental team (Tiger Team) would be created to drive the project across the corporation. E.g. Legal Services, Facilities, Real Estate, Finance, Communications etc.

ALTERNATIVES FOR CONSIDERATION

Not Applicable.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.1 Continue to grow the non-residential tax base.
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

APPENDICES AND SCHEDULES ATTACHED

Appendix A – Land Development Task Force Motion

Appendix B – Land Development Task Force Staffing

Appendix C – Terms of Reference