

Supports Item No. 7  
CS&B Committee Agenda  
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CITY OF VANCOUVER

ADMINISTRATIVE REPORT

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TO: Standing Committee on City Services and Budgets  
FROM: Director of Real Estate Services  
SUBJECT: Corporate Services - Real Estate Services Reorganization

**RECOMMENDATION**

THAT Council approve the creation, funding, and hiring of a new regular full-time staff position in Corporate Services Group titled Associate Director - Real Estate Services subject to classification by the General Manager of Human Resources (estimated to be approximately \$120,000/annum (2006 rates); source of funding to be Property Endowment Fund.

**GENERAL MANAGER'S COMMENTS**

The General Manager of Corporate Services supports and recommends approval of this additional position within the Real Estate Services group to enable the department to meet increased responsibilities and provide improved services to internal departments.

**COUNCIL POLICY**

The establishment of new full-time staff positions require Council Approval.

## PURPOSE

To obtain Council approval for the creation of a new Associate Director - Real Estate Services position in the Real Estate Services department in Corporate Services.

## OVERVIEW

Over the past several years, the function of the Real Estate Services department ("RES") has changed dramatically and management is desirous of increasing staff resources to handle the increased responsibilities within the department. Material changes within Real Estate Services have led to a management review of departmental operations and these changes pertain to managing retirements, succession planning, and accommodating new workload demands that have recently fallen onto the department. As a result, RES proposes to restructure its management team by adding a new Associate Director position to assist the Director and existing Associate Director to more efficiently manage the increasingly complex and expanded workload demands of the City's Real Estate operation.

This report provides: i) a history of the City's RES operation; ii) a summary of the current major responsibilities of the Director and Associate Director; iii) an explanation as to the need for the new exempt position given the expanded roles of the Director and Associate Director; and, (iv) a summary of the business rationale for the management restructuring, and proposes a new management framework for how Real Estate Services can be best positioned to serve the needs of the City of Vancouver in the coming years, especially in light of the 2010 Olympic and Paralympic Games.

## BACKGROUND

Historically, Real Estate Services has been primarily responsible for the portfolio management of the City's Property Endowment Fund ("PEF") currently valued in excess of \$1.6 billion dollars. The role of RES has been limited to managing real estate transactions that are based on market conditions. The primary function of Real Estate Services has been to manage the PEF real estate activities of the City of Vancouver including all acquisitions, sales, leases, and development of all PEF owned real property for civic uses, investment and development purposes. The RES department reports to the General Manager, Corporate Services Group, and the Director and Associate Director work in close association with the General Manager Corporate Services and the City Manager's Office. The new Associate Director would report to the Director - Real Estate Services.

All real estate transactions must be conducted fairly and pass the test of public scrutiny so as to ensure that no unfavourable political or economic consequences arise out of a property transaction. Decisions regarding the setting of market values on land, and lease rates on income property are reviewed regularly and usually through a consultative process of senior department staff. Decisions are also made with regard to selecting and qualifying purchasers and tenants to best assure completion of contracts. Often business terms must be negotiated to reach the best deal for the City and the Director and Associate Director make the key business decisions in this regard as many transactions are for multi-millions of dollars. Real Estate Services also administers all contracts for development consultants, architects, and environmental professionals. All real estate work is performed in accordance with City objectives, policies and applicable legislation. This business process feeds into departmental goal setting and strategic planning in order to assist the General Manager of Corporate

Services in implementing the City's Annual Operating Plan. Real Estate Services consistently endeavours to balance the departmental goals of maximizing the City's financial returns while commensurately meeting important City social initiatives, where possible.

Most importantly, Real Estate Services continually evaluates opportunities for strategic investment in the acquisition and disposition of property to best ensure the City's real estate objectives are met; both from a financial return and strategic planning perspective. The department maintains a long term PEF Strategic Plan and it is timely that this Plan be updated to reflect the City's objectives past 2010. The new Associate Director would be charged with updating and administering this Plan to ensure the City is well placed to address market conditions and opportunities past the Olympic Games period.

#### **DISCUSSION: RES DEPARTMENTAL OVERVIEW**

The RES's department is made of several working groups including Property Negotiators, Property Clerks, and Property Development Officers totalling over 17 people who are managed by the Director of Real Estate Services. The Director and Associate Director share the same delegated Council authorities and are currently the only two authorized executors for City property transactions and Council business. They are also responsible for overseeing the sale, lease, management and development of City property and the appraisal and acquisition of ownership rights of properties required for civic purposes, and plan and implement the strategic Operating Plan of the Department. Other responsibilities and core competencies are set out in Appendix "A".

More recently, the Director and Associate Director have been asked by the City Manager's office to play a much more strategic role in the planning, implementation, and delivery of other major Council priorities. These new mandates have provided significant challenges with regard to the time management of the Director and Associate Director and in order to meet these requirements, certain management responsibilities must be delegated to the new Associate Director position. Examples of these expanded responsibilities of the Director and Associate Director include:

- Implementing a new Capital Asset Management framework for the protection and administration of key City community service, amenity spaces, child care centres, non-profit leaseholds, and air space parcel assets. Management of this function has historically remained the responsibility of the General Manager of Community Services and this workload represents a significant shift in responsibility to RES;
- Participating in the stewardship and development of the City's Cultural Precinct to potentially house the new home of The Vancouver Art Gallery, Civic Theatres, Exhibition Hall, and Federal Office Tower;
- Overseeing the redevelopment of the Woodward's Project, including the community consultation and delivery of the City's non-profit and amenity programs as well as administering the market lease agreements between the City, the Developer, and the Federal Government;
- Providing strategic oversight of the planning and development of South East False Creek including the management, construction, and financing of the 2010 Olympic and Paralympic Athletes Village, and strategic planning of future phased development surrounding this Olympic site;

- Coordinating other City and VANOC related Olympic requirements through the office of the General Manager - Olympic Operations. Specific requirements include the sourcing of all VANOC office space and training facilities, inventorying billboard locations and temporary site locations, and identifying "building wrap" candidates;
- Managing the rent review/arbitration process for the False Creek leasehold lands noticing that there will be rent reviews and negotiation every few years from now until 2040 when the non-prepaid leases expire;
- Review for possible implementation, the recommendations of the Dobell/Fairbairn consultancy regarding the formulation of Non-Market and Supportive Housing policy, including managing architects and consultants on the recently announced 12 site City/Province Non-Market housing building program; and,
- Analyzing other non-real estate City transactions and policy framework, formulating a plan of action and then executing the plan in the best interests of the City. Examples would include implementing the City's new EcoDensity Initiative, making changes to the Transfer of Density and Heritage Policies, steering IT Projects like ERDMS, 311, and SAP, participating on the Public Benefits Committee, and developing new and innovative Financing Growth policy.

These additional workload assignments have taxed existing staff's ability to complete existing projects, while commensurately managing the day to day challenges of managing a large real estate portfolio. The responsibilities of the new Associate Director - Real Estate Services are set out in Appendix "B". Council approval to hire this new resource would greatly assist the Director in completing the many projects currently assigned to the RES department.

## FINANCIAL IMPLICATIONS

The new Associate Director of Real Estate Services will be working primarily on maximizing value from the PEF, including updating the department's PEF Strategic Plan. This is a new position, and accordingly, new funding estimated at \$120,000/annum (2006 rates) will be required. The source of funding would be entirely from the Property Endowment Fund and there would be no adverse impact on the Operating Budget.

## CONCLUSION

This report sets out the business rationale justifying the creation of a new senior management position in Real Estate Services to address the increased workload and complexity of the real estate transactions and advice being sought from the department. The Director of Real Estate Services is seeking Council approval for the creation of an additional Associate Director - Real Estate Services position in Corporate Services Group at a salary, including benefits, estimated to be approximately \$120,000/annum (2006 rates) subject to classification by the General Manager of Human Resources; source of funding to be Property Endowment Fund.

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## APPENDIX "A"

### RES RESPONSIBILITIES AND CORE COMPETENCIES

- Planning, organizing and directing a department which includes professional and technical staff engaged in real estate appraisal, property negotiation, property management, land development, economic analysis and soil remediation;
- Acting in an advisory capacity to City Council, the City Manager's Office and the General Managers of Corporate, Community and Engineering Services, the Park Board, and Library Board on real estate, property development, and various economic development matters in accordance with the City's objectives, policies and applicable legislation;
- Day to day outside contact with the general public, industry professionals, vice presidents and CEO's of major corporations, members of the media, and up to the Associate Minister level in Provincial and Federal Governments;
- Directing the appraisal, negotiation and acquisition of real property for civic and Property Endowment Fund projects, review of rental agreements, negotiations of leases and sale of City-owned properties to maximize a full return to the City according to PEF Council policies and mandates;
- Managing the redevelopment, including planning, zoning and servicing of large land holdings including hiring and directing land consultants and architects;
- Incorporating "green building" technology and "LEED" principles into the design and construction of City owned projects;
- Directing soil remediation of all City lands, including hiring and managing consultants;
- Overseeing the Property Management of over 3,000 commercial, industrial and residential properties;
- Carrying out highly complex multi-million dollar real estate negotiations for acquisition, sale or lease of real property to ensure the maximum return or lowest cost to the City;
- Presenting complex reports to City Council and answering questions relating to City policy;
- Preparing detailed reports, reviewing and approving staff reports on acquisitions, sales, rental increases, leases and property development for City Council approval;
- Establishing and approving departmental policies, budget preparation and administration, internal controls, reporting procedures and personnel administration;
- Planning, directing, coordinating and providing overall supervision to a large group of professionals and technical staff in a unionized environment;
- Planning an extensive work plan and coordinated strategic plan, organizing the various functions of the department and reviewing the work of subordinate staff;

- Responsibility for preparing detailed financial analysis of various real estate development proposals undertaken by the Real Estate Department, rezoning and heritage bonuses for the Planning Department, amenity bonuses for Cultural Planning, negotiating Community Amenity Contributions and a variety of real estate analysis for the Police, Fire and Engineering Departments and Library and Park Boards;
- Developing and implementing Request For Proposal (RFP) calls and Public Tenders for development and/or disposition of major civic property;
- Reviewing and/or composing Council and PEF Reports;
- Hiring employees, arranging employee orientation and training, coaching and managing high performance teams;
- Managing disciplinary issues, attendance and performance issues and union grievances;
- Managing development consultants, architects and environmental professionals;
- Developing new procedures, organizing staff and evaluating needs and priorities in order to meet the objectives of the department;

**Key Core Competencies required:**

- Exercising high degree of independent judgment, strong problem solving and analytical skills, excellent communication and interpersonal skills; and
- Dealing effectively with City Council, Boards, media, business communities and the public;
- Demonstrating a thorough knowledge of Development Permit and Rezoning processes, functions of development-related Boards, City By-Laws, and heritage/amenity bonusing policies/methodologies.

**APPENDIX "B"****City of Vancouver  
Position Description**

**Job Title:** Associate Director, Real Estate Services  
**Service Group:** Corporate Services

**Basic Function:**

This is a senior real estate management position involving the sale and acquisition of real property, the administration of a large lease portfolio, the asset management of all civic owned property, the highest and best use development of strategic City-owned property and the appraisal and market assessment of ownership rights of properties required for civic purposes. The Associate Director is responsible for the overall operation of the City's \$1.6 billion Property Endowment Fund, (PEF), including the project management of many large redevelopment projects.

This position is responsible for the detailed financial analysis of various real estate development proposals undertaken by the Department, ascertaining rezoning and heritage bonuses for the Planning Department, amenity bonuses for Cultural Planning and a variety of real estate analysis for the Police, Fire and Engineering Departments and Library and Park Boards.

The incumbent works closely with the Director of Real Estate Services to plan and implement the strategic Operating Plan of the Department.

**Reporting relationships and key contacts:**

Reports directly to the Director of Real Estate Services and works closely with Deputy City Managers, Director of Current Planning, Engineering Dept., Park Board, and Library Board to provide real estate services and economic advice. The position produces reports for and makes presentations to Council and the PEF Board. The position is responsible for the supervision of RES departmental staff. The incumbent maintains contact with major real estate development companies, property owners, real estate agents and real estate organizations.

**Specific Duties:**

- Overall management of the PEF including property acquisitions, sales, leasing and development of key City-owned property
- Reviews, updates, and implements PEF Strategic Plan
- Directs, through RES staff, all financial analysis and pro-forma work required for various City departments and Boards
- Implementation and management of Capital Asset Management framework for the protection and administration of key City community service, amenity spaces, child care centers, non-profit leaseholds and air-space parcel assets
- Coordinating City-owned real estate and VANOC related Olympic requirements through the office of the General Manager, Olympic Operations
- Reviews and/or composes Council and PEF Reports, may make presentations to Council on Director's behalf

- Participates in the stewardship and development of the City's Cultural Precinct to house the new home of The Vancouver Art Gallery, Civic Theaters, Exhibition Hall and Federal Office Tower
- Review for possible implementation the recommendations of the Dobell/Fairburn consultancy regarding the formulation of Non-Market and Supportive Housing policy
- Provides real estate and financial advice to various departments and boards
- Hires, manages and develops staff, takes appropriate action and makes recommendations to address employee relations issues
- Acts as the Project Manager for Major Real Estate Projects undertaken by the department
- Provides input to the department's strategic priorities and engages staff in planning to ensure that work area plans are aligned with department and organizational priorities
- Works closely with the Director to manage major projects; may work jointly on projects and also acts as Project Manager on assigned projects
- Provides advice to City departments and boards on real estate transactions, property development and related economic matters
- Develops departmental policy and assists in more complex interpretations

**Education:**

- B.Comm Urban Land Economics or equivalent such as Charter Surveyor (English)
- AACI/RI (BC)

**Experience:**

- Ten years experience in a comprehensive real estate operation in management capacity
- Experience in property development, sales leasing and property management involving a large and varied portfolio of residential, commercial and industrial properties
- Experience managing and developing a team of professional and clerical staff preferably within a unionized environment
- Experience preparing detailed, complex reports on property matters
- Experience carrying out high-level negotiations and managing large, complex projects
- Experience preparing and monitoring a budget (capital and operating) to support strategic priorities and to achieve financial sustainability

**Skills and Abilities:**

- Thorough knowledge of Vancouver real estate market
- Extensive knowledge of real estate practices and various factors affecting the market value of real property
- Extensive knowledge of the methods and procedures used in the appraisal, negotiations, purchase and sale of real property
- Effective work relationships at a senior level across the organization, with Boards and external agencies
- Known for developing innovative and "value added" solutions for complex issues
- Skilled at negotiating and influencing multiple stakeholders
- Able to anticipate and implement changes to short and long term plans
- Ability to identify options & alternatives to address risk
- Ability to make decisions that are for the benefit of the organization & its stakeholders



**Management Competencies:**

- Employee Development
- Performance Management
- Conflict Resolution
- Strategic Planning
- Project Management
- Resource Management
- Risk Management
- Public Process & Relations

**Leadership Competencies:**

- Personal Values
- Adaptability
- Innovation & Initiative
- Collaborating
- Coaching & Developing Others
- Communication
- Decision Making & Accountability