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**TO:** GENERAL COMMITTEE

**SUBJECT:** REQUEST FOR FUNDS FROM THE INDUSTRIAL LAND RESERVE

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** P.DYCK, BUSINESS DEVELOPMENT OFFICER X5228

**SUBMITTED BY:** H.KIROLOS, DIRECTOR OF BUSINESS DEVELOPMENT 

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** C. LADD, CHIEF ADMINISTRATIVE OFFICER 

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**RECOMMENDED MOTION**

1. That an operating budget in the amount of \$20,000 be established in the Business Development Department for operating costs associated with the City's Industrial Land holdings, including but not limited to property appraisals with funding from the Industrial Land Reserve (13-04-0430).

**PURPOSE & BACKGROUND**

Report Overview

2. The purpose of this staff report is to seek authority to allocate funds from the Industrial Land Reserve, to create an operating budget of \$20,000 for operational expenses associated with the City's portfolio of Industrial Lands.
3. Expenditures for the lands are not frequent and with the availability of the Reserve, the need to prepare an annual budget has never been a requirement. However, after a long period of relative inactivity, there has been an increase in interest in the sale of industrial parcels, and in turn the need for funding for several related projects.
4. The Business Development Department has been responsible for a broad range of development related activities for both the South Barrie Industrial Park and the Mapleview West Business Park. Duties have included overseeing engineering and environmental work, acquiring valuations and appraisals for the lands, completing staff reports related to its legal oversight and day to day tasks such as marketing and sales.

**ANALYSIS**

5. One of the specifically mandated duties in the City's land sale policy deals with valuation and appraisals.

The Industrial Land Sale Policy states that:

- a) 'That there be a provision to set the land pricing on an annual basis, or as frequently as required, and that these prices be based on fair market value, as determined by comparables (94-P-101)'

6. The current most immediate requirement for funding is the need for an appraisal for several properties. Staff will often complete in-house valuations as necessary, however the last 3<sup>rd</sup> party appraisal for City industrial lands was completed in 2010. Considering the length of time since the last appraisal, and the improvement in market conditions since that time, staff consider it prudent to obtain an outside appraisal.
7. The Industrial Land Sale Reserve has been available since the inception of the industrial parks, and as already noted, provides funding for all expenses which are related to the development, marketing and sales of the City's industrial lands. The Reserve is also the repository for funds when the lands are sold and as a source when lands need to be re-acquired, as was the case recently when the City repurchased 250 Mapleview Drive West.
8. It is recommended that the Industrial Land Reserve be used as the source of funding for these operating expenses as they are consistent with the originally intended use of the reserve.
9. The City currently owns 41 acres of vacant industrial land consisting of 8 parcels spread out between the Mapleview West and South Barrie Industrial Parks.

#### **ENVIRONMENTAL MATTERS**

10. There are no environmental matters related to the recommendation.

#### **ALTERNATIVES**

11. The following alternative is available for consideration by General Committee:

**Alternative**

General Committee could decide not to approve the request for funds from the Industrial Land Reserve. This alternative is not recommended as it is anticipated that several expenditures will be required throughout 2014. If the funds are not authorized staff will not be in a position to complete projects in a timely manner, and may furthermore risk obtaining market value for some of the remaining parcels when sold.

#### **FINANCIAL**

12. The balance of the Industrial Land Reserve is currently \$2,075,607.
13. The costs associated with this report have not been included in the 2014 Business Plan. Operational requests from the Reserve are not budgeted as historically, requests are infrequent and done on an 'as needed' basis.

#### **LINKAGE TO 2010-2014 COUNCIL STRATEGIC PLAN**

14. The recommendation included in this Staff Report support the following goals identified in the 2010-2014 City Council Strategic Plan:
  - Direct and Manage Economic Development