Working together with our community



# Land Monetization Project – Status Update

## July 13, 2021

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### Initial Review

A total of 511 parcels have been initially screened and several shortlists created. Approximately half of the properties are initially identified as “not possible” and are required to be retained by the County for various reasons, including critical infrastructure, cemetery, size, etc. To date, staff have undertaken a more detailed commenting and evaluation review on nearly 40 shortlisted properties from various perspectives including:

- Level of public engagement
- Conformity with applicable provincial and municipal policies and provisions
- Level of technical study required
- Meets the minimum lot frontage
- Property fronts on an open and maintained road
- Level of modifications to make marketable
- Ability to create jobs
- Potential for partnerships
- Servicing requirements
- Park/Trail/Recreation or other facility needs
- Potential for housing – particularly affordable housing
- Potential for return on investment subject to the level of modifications.

An added lens of potential properties that could be suitable for affordable housing was utilized and is a consideration for an entire property or potentially a portion of percentage of a future development / partnerships on a property.

### Initial Results

The “first batch” of properties includes 11 parcels for initial consideration along with 2 parcels for additional affordable housing potential. The “second batch” of properties includes additional parcels that are conducive to offering to an adjacent owner and will be the subject of a follow-up report. The “third batch” will be the remaining properties shortlisted from the nearly 40 that are under review once further evaluation is completed.

Almost every single property will require some level of effort, process, study an dpublic notification. The types of County-owned properties under review are typically oddly

shaped, large parcels with varying uses or potential, have existing encumbrances or are not well-positioned for development. While some parcels may require a survey, reference plan and/or removal of outstanding interests on title (with a few potentially "as is"); the vast majority of properties are owned by the County for a reason and may take considerable modification to make them marketable. Some examples of these modifications or actions may include:

- Environmental testing
- Geotechnical analysis
- Infrastructure / utility locates and/or servicing analysis
- Development applications, such as Official Plan Amendment, Zoning By-law Amendment, Minor Variance which may require supporting studies (such as Environmental Impact Study or Archaeological Assessment) and result in public meetings and hearings.

Some parcels may require extension of services or other matters which could be conditions of a sale and/or the responsibility of a purchaser. It may be a strategy for the municipality to conduct some of these actions in order to ensure public process, reduce risks for the purchaser, yield higher return and embed community development objectives.

It should be clear that dispositions of surplus land requires public notification and staff are recommending that any potential land disposition be in accordance with Norfolk County Policy CS-60 Land Purchase and Sale Policy.

This will ensure that any lands being considered for disposition are identified and advertised to the public prior to a Public Hearing Committee Meeting so that any member of the public who wishes to speak to the matter can be heard.

Staff recognizes that the disposition of public lands may be difficult. As part of this consultation with the public, Norfolk County would also provide an educational component.

**Professional Services**

The identified modifications outlined above, along with conducting real estate appraisal and transactions, will require professional services to be completed by a third-party from a technical nature and/or to avoid the optics of any perceived conflict of interest. Additional services possibly required include Realty Broker Services, Surveying Services, Appraisal Services and Planning Services.

Staff are recommending that these services be procured in accordance with the Norfolk County Purchasing Policy, CS-02 including with the establishment of an applicable roster and/or pre-qualification process to be completed. Estimated timelines for completion of the above procurement processes are approximately 3-6 months.

Alternatively, Council can consider single sourcing the applicable professional services required should Council wish to avoid any future delay with getting these properties to market.

**The Difficulty with Selling Public Lands**
The sale of public held lands is always difficult and will always have resistance, especially to neighbouring properties. The process developed must have a solid principal-based approach, staff have outlined some examples of a framework.

- *Assessing the public good that is created from holding the asset*
    - Considerable focus on this question must be undertaken in the analysis. One must assess or answer the following questions:
- *What is the asset used for, and what is the demand for this use?*
- *Who benefits from the asset, is it a few residents or the broader public/community use?*
- *Is the asset size appropriate for the benefit being provided?*
- *Are there other options to provide this benefit or to provide an enriched benefit by investing in another manner?*

Here are a few examples to demonstrate:

1. **A neighbourhood park that is mostly just open space (grass).**

There is always benefits to open green space for a neighbourhood, however the benefits are sometimes only enjoyed by a small group in the neighbourhood and due to the lack of amenities at the park the demand or use is lower.

One could reduce the size of the park by selling off a portion of the park for residential use. Take some of the proceeds from the sale to make improvements to the open space for greater utilization. The additional taxes generated from the new residences will offset the increased on-going maintenance of the improved park; or improvements could be made to another park or asset that would have broader use from a wider range of residents.

2. **A piece of land with major water infrastructure underneath it.**

The property would have significant public good as that infrastructure is required for many residents. As such it would be difficult to redevelop this land due to the County's need to access the infrastructure.

Though the land can be used for activities that would not interfere with any future construction (park, sports field), the development of this type of land should not be undertaken due to the long term implications it has on the County's infrastructure. It should also be noted that in some cases the County has sold land with infrastructure underneath of it, however the County has ensured access to the infrastructure as well as development restriction on the land.

### 3. A woodlot or portion of a woodlot.

The value of trees and maintaining naturalized areas for habitat and for humans is critically important. Maintaining a balance between growth and environmental preservation is always a difficult balancing act. In heavily urbanized areas the lack of a tree canopy is very noticeable and can lead to significant issues ranging from higher utility costs, to higher infrastructure costs due to storm water management as well as poorer health of the residents. Norfolk County is blessed with a significant amount of woodlots and other naturalized areas for our residents.



Side-by-side images of two different Detroit neighborhoods illustrates the disparity In tree cover. Credit: Google Maps.

The reduction of woodlots or other naturalized areas should generally be minimized. Particularly sensitive environmental features, such as provincially significant wetlands and other prime areas should be avoided.

However, could there be a program developed where the reduction in a woodlot is more than offset by investing in tree planting programs in needed areas along with other environmentally important projects? Consider the sale of one acre at the edge of a 10+ acre woodlot for minimal low-density development undertaken in an environmentally sensitive manner (for example one single detached dwelling on a lot with tree conservation measures and environmental performance standards).

Another example may be a location that is in an urban or hamlet area that is near or conducive to industrial / employment or new housing development. A portion of the woodlot could be retained, a portion sold for the added benefits of the development and a split of the proceeds could be reinvested in that area, tree plantings and/or further actions related to jobs and homes.

Half of the proceeds could be used to fund longer term environmentally sustainable projects in the County. For example, if 10 lots were sold for roughly $1 million then $500,000 could be dedicated to sustainability-related projects such as:

- Urban and Hamlet tree planting program – to increase tree density in County owned parks, trails, boulevards and other properties.
- Tree giveaways – Each year purchase a significant number of trees to give away to residents for planting on private property.

- Green Infrastructure program – funding on-site / property-level stormwater and groundwater infiltration, installing bioswales or “green streets” and other drainage reducing techniques, ecological restoration of hard surface areas to green space, permeable pavement projects, increasing rain-water harvesting / grey-water usage and rain barrels, etc. These would provide added environmental benefit, help reduce flooding issues and divert stormwater from costly drains / ponds / municipal infrastructure.
- Woodlot Management Plans and implementation actions.
- Climate Change Adaptation Plan Implementation Actions – contribute to environmental actions to reduce and adapt to the effects of climate change in our community.

The magnitude of the projects, especially when considering potential sales of other County-owned property types, could be significant and are all well beyond the current financial capacity of the municipality to support.

Going through the process of evaluating and considering potential sale of County-owned lands will require new approaches and difficult decisions. As we go through the public notification and land monetization process, it will be very important to balance the financial realities with achieving key environmental and social objectives as well. This initiative could result in funding for new projects and deliver a more sustainable approach.

The direction that Council provides on this project will assist Council in meeting its priority initiatives in building a strategic approach to divesting assets that are no longer strategic for the County’s long-term needs and to ensure oversight and accountability for the County’s finances.

**Conclusion:**
It will be beneficial to move the initial “batches” of properties forward to help generate activity, create a repeatable process, “test the waters” and the market, and to spread out the workload. There are a significant number of properties still to undergo more detailed review and evaluation by the project committees.

Council should be aware that considerable time and effort is being dedicated by numerous staff to provide a detailed review of each property being considered for disposal. In many instances staff have identified potential issues or concerns with the disposal of a number of properties that have been reviewed and future properties to be reviewed. Examples include conflicts from department operating initiatives, County policies and the Provincial Policy Statement. Council may wish to explore an independent, third-party review of the identified properties.

There is significant work to be undertaken to take these properties to final disposition. In order to expedite the progress of each of the files associated with the Land Monetization Project, Council should consider allocating additional staffing resources, to be added on a temporary basis, to assist the Realty Services Coordinator who is

already beyond peak capacity.  Funding for the additional resources could be provided by the Property Management Reserve.