



Agenda Date: 6/12/2017

 Agenda #: 10.File #: 15-5448 Type: Policy Item

City-Owned Real Estate and Facilities Policy

Action:

Approve the Housing and Neighborhood Development Committee's recommendation to adopt the City-Owned Real Estate and Facilities Policy.

Committee Chair:

LaWana Mayfield, Housing and Neighborhood Development

Staff Resource(s):

Mike Davis, Engineering and Property Management
Gina Shell, Engineering and Property Management
Tony Korolos, Engineering and Property Management

Explanation

- On March 27, 2017 City Council repealed the *Guidelines for Asset Management*, which were established by the Privatization/Competition Advisory Committee (PCAC) and adopted by City Council on July 25, 1994.
- The Policy on City-Owned Real Estate and Facilities will establish a comprehensive portfolio management strategy.
- The intent of the Policy is to ensure the acquisition, use, management, and disposition of City-owned property demonstrate responsible, responsive, and transparent management of public resources and are consistent with City Council priorities.
- In managing the City property and facility portfolio, the Policy will direct staff to:
 - Address City operational needs and City Council priorities;
 - Fully analyze financial implications and alternatives;
 - Gather and respond to community input as appropriate; and
 - Comply with applicable federal, state and other property encumbrance requirements in the management of City real estate and facilities.

Committee Discussion

- On April 26, 2017, the Housing and Neighborhood Development Committee voted unanimously (Mayfield, Austin, Ajmera, Driggs, Kinsey) to recommend the adoption of the *Policy on City-Owned Real Estate and Facilities: Directives for a Portfolio Management Model*.
- The Policy was favorably reviewed by members of the Budget Committee (Phipps, Driggs, Kinsey, Lyles, Mayfield) for financial implications.

Attachment(s)

City-Owned Real Estate and Facilities Policy



Charlotte City Council

City-Owned Real Estate and Facilities Policy

The intent of these directives is to ensure that the acquisition, use, management and disposition of City-owned property demonstrate responsible, responsive, and transparent management of public resources and are consistent with City Council priorities.

In managing the property and facility portfolio, City Council directs staff to:

- Address City operational needs and City Council priorities;
- Fully analyze financial implications and alternatives;
- Gather and respond to community input as appropriate; and
- Comply with applicable federal, state and other property encumbrance requirements in the management of City real estate and facilities.

A Portfolio Management approach provides a basis for analysis of various real estate and facility decisions.

A Portfolio Management approach will consist of the following components:

- City Council Priorities
 - Identify Council priorities (based on Council policies, Council planning documents, Council budgetary goals and areas of emphasis, etc.)
 - Identify partners
 - Identify and assess social and economic impacts
 - Evaluate and target subsidies
- Ownership Structures and Leasing Strategies
 - Analyze alternative ownership structures and leasing opportunities
 - Minimize lease costs
- Facility Lifecycle and Operating Cost Considerations
 - Manage for long-term operational success
 - Minimize operating costs
- Workspace Utilization and Occupancy Planning
 - Create adequate, efficient, and healthy workspaces for employees
- Sustainability and Energy Efficiency Strategies
 - Refer to the “Policy for Sustainable City Facilities”
- Interim Uses and Strategies for Repurpose or Disposition
 - Analyze underutilized properties for alternative operational uses or Council priorities
 - At disposition, maximize revenues and/or evaluate and target subsidies

This policy is intended to supplement North Carolina state statute and other Council policies regarding bringing real estate and facility decisions to City Council. When staff bring forward recommendations, staff will reference the directives and component goals to support the recommendations.

A complete report on status and management of the City’s Property Portfolio will be presented to City Council biennially.