

FROM THE INSIDE OUT: INSIGHTS ON BUILDING LIVABLE COMMUNITIES WITH EXPROPRIATION

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1. THE BUSINESS OF LOCAL GOVERNMENT

The core business of local government is to service the needs of the community under the terms of the Community Charter.

2. MANAGING LAND ACQUISITION

The City of Richmond has a stated vision which is:

“to be the most appealing, livable and well-managed community in Canada”

As Manager of Lands and Property for the City of Richmond, my primary objectives are:

- (1) To manage the City’s land asset resources in a businesslike and cost-effective way that is consistent with the City’s overall vision of being “well-managed”
- (2) To satisfy the City’s day to day requirements for land and property rights acquisitions and dispositions to keep pace with the growth and development of the City.

What this means to me is that I provide a service for other City departments to buy land for the City for roads, parks, sewers and community facilities such as firehalls and community centres; acquire rights of way for the City and for outside utility companies as necessary, negotiate license and leases having to do with use of City land assets, serve as an advisor to all levels of staff and Council on real estate matters, and dispose of land by selling or exchanging it to fulfill various objectives.

In 2003 my work amounted to \$23 million dollars worth of real estate transactions - being the total dollar value of acquisitions, dispositions and significant leases handled by me.

In practical terms of what my job looks like and where it fits into the organization - the Office of the Manager of Lands and Property comprises myself – assisted by 25% of a clerical worker.

I report directly to the City Solicitor. The Law Department is part of the Finance and Corporate Services Division and is under the administration of the General Manager of Finance and Corporate Services.

I get my legal advice from the City and Staff solicitors and from outside counsel as necessary. The City does not handle the legal work for its own expropriations, mainly because of the amount of dedicated time and attention that is required.

3. **THE CHALLENGE OF SERVICING A COMMUNITY:
RUNNING THE BUSINESS LIKE A BUSINESS**

Political pressure from taxpayers to pay attention to the bottom line - the balancing act

- create efficiencies
- be open and accountable
- bring the project in on time
- don't make a profit – lower the taxes
- can the business succeed without expropriation?

4. **WHAT EXPROPRIATION LOOKS LIKE IN THE COMMUNITY**

PICTURES

It's an intrusive tool.

It interferes with property rights - to some extent

It creates sometimes unplanned change and disruption in people's lives and businesses

It can be costly in terms of dollars and political ambition

When it gets used, it is not without considerable debate and careful consideration of alternatives.

5. **FREQUENCY OF USE**

At the City of Richmond, over the past fifteen years, expropriation has been used to complete five different projects.

The numbers of owners or tenants expropriated totalled ten and that includes two partial takings processed this year.

POLL SLIDE

Results of an unscientific poll among land managers in various lower mainland municipalities and the GVRD.

The question asked - how many times was the expropriation tool used in the past five years, i.e. from 1999 to present?

Reason it's not used very often? The skill and dedication of the property negotiators – obviously!!

6. **WHAT'S THE CAUSE OF ITS USE?**

Simply put - the breakdown of negotiations. However, even before that happens – what does the process look like for the City?

It can look (1) Planned, or
(2) Unplanned

“PLANNED” – open and accountable

- clear, well publicized official community plan
- well organized area planning with appropriate divisional staff and public involvement, and constant communication and updates with the owners and businesses in those areas, and with developers
- clear strategic plans that deal with community defining issues. Some examples of this in Richmond are:
Economic Development Strategic Plan
Industrial Strategy Plan
Agricultural Strategy Plan
A City Centre Transportation Plan
Parks and Recreation Master Plan
- a good understanding of Council's term goals

- well defined divisional or departmental five, ten and twenty year work plans that have been seen by Council and supported by them and senior administrators
- good inter-departmental communications guided by internal administrative policies, procedures and practices, that involve a team approach so that individual projects are well handled and present few surprises
- support, encouragement and recognition of creativity and flexibility among staff

“UNPLANNED” – disorganized and ad hoc

- elements of the above “Planned” list are missing
- previously unstated political directives
- uninformed engineering staff
- opportunity

Back to the Utopian “planned” approach - what expropriation usually looks like from inside the City of Richmond is:

- a project that has been planned some years in advance
- a project that is “on the books” in terms of capital budget, area plans and City strategic plans
- a project that is supported by the public in general terms
- is confidently touted by the politicians
- is held up by an inability to purchase the necessary land

Many projects can be “built around” an owner who understands all the consequences but just does not want to sell.

The potential for impact from political fall out can be impressive - election timing?

Some projects cannot be built around hold-outs.

At this stage the City generally strives for –

7. **EXPROPRIATION AVOIDANCE**

Good communications and some creative thinking have to be applied to the issue.

Team Work - the project designers and builders and the Finance Department staff can definitely be part of the solution.

INCENTIVES TO SETTLE

Means:

- \$\$\$\$\$
- bonus zoning
- agreement for a mutual action plan with owner
- independent arbitration
- design compromise
- property tax relief
- Section 3 agreement

Issues:

- equity of application - “enrichment” of the individual owner
- precedent
- balance of cost of incentive vs. cost of expropriation
- political fall out

Design compromise can help to get a signature:

- adjustments to routing
- new technology
- phased construction
- redefining standards

8. **EXPROPRIATION -- PROCEEDING**

If all else fails --- then proceed to expropriation. Within the City of Richmond this looks like:

- development of the “worse case” scenario in terms of cost
- planners/appraisers - highest and best use
- an explanatory report to the Administrators and Council spelling out all the alternatives and associated costs and all the rationale and justifications for using expropriation.
(Council should be familiar with the project at this stage because it will have already reviewed the issues and may have previously given support for the application of various incentives to try to induce settlement).
- Retain outside legal counsel.
- Track the costs - post mortem.

**9. WHAT THE MUNICIPAL LAND MANAGERS SAY
PRIMARY ISSUES:**

Costs

Section 3 Agreements – Expropriation or not?

Tariffs - constant review/revision

Getting the land after paying for it

Paying the prescribed amount (settlement negotiations after ECB ruling)

END