

AUDITOR GENERAL

Halifax Regional Municipality

Corporate Real Estate
Development and Sale of Industrial Lands
Land and Building Acquisition and
Disposal Audit

December 14, 2022

Audit Overview

- Development and sale industrial lands
 - Long-term plans not sufficient
 - Coordination between Corporate Real Estate and Planning and Development needed
 - Some short-term and medium-term plans lack detailed timelines
- Land and building acquisitions and disposals: improvements needed
 - Data and file management
 - Monitoring inactive files
- Found active files are monitored

Development and Sale of Industrial Lands Detailed Results

- Lack sufficient long-term plans to meet demand
- Regional Council strategic priority
- HRM consultant minimum 510 net acres additional urban industrial lands needed by 2039
 - Current supply only adequate to 2024
- Coordination between business units needed
- Planning and Development said other areas, such as housing, took priority
- Long-term plans needed
 - With details
 - Estimates of when land can be sold



Industrial Lands Development and Sale Detailed Results

- To meet future demand:
 - Expand Burnside, Aerotech, and Ragged Lake
- Burnside
 - Three phases
 - Lack of detailed plans for key milestones in second and third phases
 - Management provided after we completed audit
 - Phase 14 limited plans to date
- Aerotech and Ragged Lake
 - Some short-term and medium-term plans
 - Need more detail and timelines
 - Corporate Real Estate and Planning and Development need to work together

Development and Sale of Industrial Lands Detailed Results

- 2018-19 to 2020-21 business plans had key deliverables for industrial lands
 - Not in 2021-22 or 2022-23 business plans
 - Should be continuity to recent business plans
 - Provides Regional Council and public with information
 - Still being worked on
- Outstanding recommendations from consultant report
 - Expected more detailed plans to address



Development and Sale of Industrial Lands Detailed Results

- Industrial land sales transactions
 - Consistent with key policy requirements
 - Management monitored requirements were met
- Management monitors ongoing transactions
 - Example: involvement in Burnside design
 - Regular communication among business units



Land and Building Acquisitions and Disposals Detailed Results

- Improvements needed in data and file management
 - Key fields often not updated
 - Many samples had limited information in tracking sheet
- Active files are monitored
- However, inactive files not monitored
 - Long gaps with no activity
 - Lack of communication
 - Should follow up periodically



Land and Building Acquisitions and Disposals Detailed Results

- Corporate Real Estate and other business units
 - Land and building acquisitions and disposals
 - Roles and responsibilities understood in most instances
 - Need to finalize service level agreement with Parks and Recreation



Land and Building Acquisitions and Disposals Detailed Results

- Targets established for acquisitions and disposals
 - Six to 24 months, depending on property type
- Relevant samples all exceeded target period
 - Other business units aware of long timelines
 - Complexity can impact dates
 - Management said timelines may need review
 - Outstanding issues can impact timelines





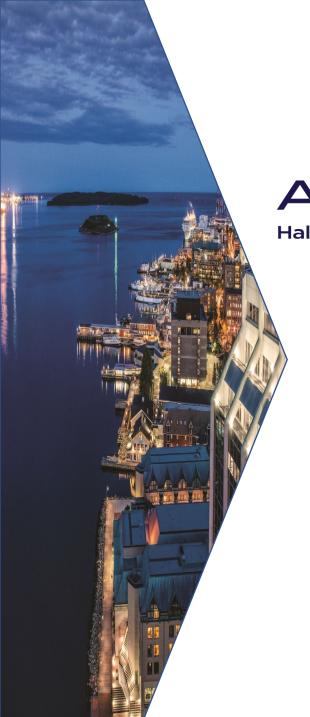
Wrap Up

7 Recommendations

All accepted by management

- Plans need more detail
- Information in business plans
 - Better data track surplus properties
- Review inactive properties and timelines

Follow up in 18 months



AUDITOR GENERAL

Halifax Regional Municipality

Questions?