

RAEG Program Plan Summary  
2017/18+ Inventory

RAEG Program as of May 26, 2017									Timelines and Milestones				Forecast Financial Summary:											
Realized Net Proceeds to Date:													Sales Status	2017/18	2018/19	2019/20	2020/21+	Totals						
Property Name	Sector	Net Proceeds Forecast	Budget \$: Original (May 2012) /Additions to RAEG	Estimated 2017/18 Proceeds Realized	Estimated 2018/19 Proceeds Realized	Estimated 2019/20 Proceeds Realized	Estimated 2020/21+ Proceeds Realized	Major Activity	2017/18															
									Q1				Q2				Q3				Q4			
									A	M	J	J	A	S	O	N	D	J	F	M	18/19	19/20	20/21	
Risk Status Inventory. Red: Serious issues escalated to Executive; Yellow: Issues are being managed within the project; Green: No issues Budget \$ Net Proceeds at the time projects were added to RAEG																								

Due Diligence Complete On Market Estimated Completion Completed Deal

Completed Deals (realized net gain)	Sector	Actual \$	Budget \$	Estimated 2017/18 Proceeds Realized	Estimated 2018/19 Proceeds Realized	Estimated 2019/20 Proceeds Realized	Estimated 2020/21+ Proceeds Realized	Major Activity												
1 UFV Chilliwack Campus 5.47ac (was 8.0 ac) Parcel									A	M	J	J	A	S	O	N	D	J	F	M
Total																				

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Contract in Place (awaiting completion)	Sector	Actual \$	Budget \$	Estimated 2017/18 Proceeds	Estimated 2018/19 Proceeds	Estimated 2019/20 Proceeds Realized	Estimated 2020/21+ Proceeds	Major Activity												
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On the Market (no contract in place)	Sector	Latest Forecast	Budget \$	Estimated 2017/18 Proceeds Realized	Estimated 2018/19 Proceeds Realized	Estimated 2019/20 Proceeds Realized	Estimated 2020/21+ Proceeds Realized	Major Activity												
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									Q1		Q2		Q3		Q4									
									A	M	J	J	A	S	O	N	D	J	F	M				
Risk Status Inventory. Red: Serious issues escalated to Executive; Yellow: Issues are being managed within the project; Green: No issues Budget \$ Net Proceeds at the time projects were added to RAEG										A	M	J	J	A	S	O	N	D	J	F	M			

▲ True Billions Forecast ▲ On Market ▲ Estimated Completion ▲ Completed Deal

Pre-Marketing	Forecast	Budget \$	Estimated 2017/18 Proceeds Realized	Estimated 2018/19 Proceeds Realized	Estimated 2019/20 Proceeds Realized	Estimated 2020/21+ Proceeds Realized	Major Activity	A	M	J	J	A	S	O	N	D	J	F	M

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Realized Net Proceeds to Date:				s.17																		s.17							
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									2017/18																				
									Q1			Q2			Q3			Q4											
Risk Status Inventory. Red: Serious issues escalated to Executive; Yellow: Issues are being managed within the project; Green: No issues									Budget \$ Net Proceeds at the time projects were added to RAEG									A	M	J	J	A	S	O	N	D	J	F	M


Due Diligence Complete On Market Estimated Completion Completed Deal

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									2017/18															
									Q1	Q2	Q3	Q4												
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 Due Diligence Complete

 On Market

 Estimated Completion

 Completed Deal

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Realized Net Proceeds to Date:																					S. 17		
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									Q1			Q2			Q3			Q4					
									A	M	J	A	M	J	O	N	D	J	F	M			
Risk Status Inventory. Red: Serious issues escalated to Executive; Yellow: Issues are being managed within the project; Green: No issues									Budget \$ Net Proceeds at the time projects were added to RAEG														

Due Diligence Complete On Market Estimated Completion Completed Deal

Note: Forecast marketing date predicated on resolution of First Nations Consultations.

CHANGE LOG SUMMARY												
Property Name	Sector	Net Forecast Change	Previous Period Net Proceeds	Current Period Net Proceeds	Variance	Status Change From	Status Change To	Schedule From	Schedule Change To	Major Activity From	Major Activity To	Comments

RAEG Summary Report		Cut off: May 24, 2017	Report Date: May 26, 2017
	Previous Report	Current Week	Variance
	May 8, 2017	May 26, 2017	
2016/17 RAEG Program Plan Summary			
Completed Deals	59,948,553	61,348,256	1,399,703
	59,948,553	61,348,256	1,399,703
2017/18 RAEG Program Plan Summary			
Completed Deals	s.17		
Contracts in Place			
On the Market			
Pre-Marketing			
2018/19 RAEG Program Plan Summary			
2019/20 RAEG Program Plan Summary			
2020/21+ RAEG Program Plan Summary			
2017/18+ Inventory			
Highlights			

UFV Chilliwack Campus 5.47 acres in Chilliwack - s.17

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16/17 Summary:

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17/18 Summary:

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18/19 Summary:

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19/20+ Summary:

- No financial changes.

Risk Status by Fiscal Year					
	16/17	17/18	18/19	19/20+	Total
Green	61,348,256				
Yellow	-				
Red	-				
Total	61,348,256				



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## **RELEASE OF ASSETS FOR ECONOMIC GENERATION (RAEG) PROGRAM**

### **Real Property Division**

#### **Lead Executive**

Sarf Ahmed, Associate Deputy Minister

#### **Background**

This is a Ministry of Finance initiative which was launched in 2012 as a 2 year initiative to dispose of surplus assets in 2013/14 and 2014/15 and has since evolved into an ongoing program for the management of surplus assets. Minister of Finance is the minister accountable for this program. Ministry of Technology, Innovation and Citizens' Services (MTICS) was asked to manage the program on behalf of the Ministry of Finance as it has the real estate expertise to deliver.

Several ministries, including the MTICS, government agencies and Crowns dispose of surplus real estate assets as part of their typical business practices. The program's mandate is to oversee the release of these surplus or under-utilized assets, and to generate economic activity in communities throughout BC. The RAEG program oversees the province-wide management of this initiative, ensuring that all issues are addressed appropriately and the return to government is maximized. The program also ensures government fulfills its legal duty to consult with First Nations on the disposal of surplus property.

The following ministries with surplus properties are part of this initiative:

- Ministry of Health (includes Health authorities) (MOH)
- Ministry of Education (includes School Boards) (MED)
- Ministry of Advanced Education (includes Universities, Colleges and Institutions) (AVED)
- Ministry of Forests, Lands and Natural Resources Operations (FLNRO)
- Ministry of Transportation and Infrastructure (MOTI) and
- Ministry of Technology, Innovation and Citizens' Services (MTICS).

Crown Corporations subject to a regulator for rate setting such as BC Hydro and ICBC are not part of this program.

Proceeds of sales by the SUCH sector (Schools, Universities, Colleges, and Health Authorities) are retained by these entities for re-investment to upgrade their facilities; for example, the new Belmont School in Langford was partly funded through sale of the old school. Pearson Dogwood redevelopment project in Vancouver is partly funded by proceeds from the sale of the existing old hospital.

Proceeds of sales by government ministries go to Ministry of Finance.

MTICS' role is to provide project management through its Real Properties Division. This includes assisting ministries with the identification of surplus properties, coordination with other

ministries/organizations that are part of the program, conducting due diligence prior to sale of a property, conducting the sale, and reporting to the Ministry of Finance. Due diligence includes ensuring that environmental assessment has been completed where required, appropriate consultation with First Nations has taken place culminating in some cases in the negotiation of an economic benefits agreement with First Nations, developing a marketing plan, and ensuring the property has a recent market appraisal and appropriate stakeholder consultations with municipalities and others has occurred.

MTICS discharges its responsibilities through a combination of its own staff and external consultants. Organizations with real estate expertise (such as Health authorities, MOTI and FLNRO) undertake these tasks for their own properties and provide regular reports to MTICS.

Decisions regarding adding or removing a surplus property from the approved inventory for sale are made by the Minister of Finance. Deputy Minister of Finance can approve addition of surplus properties valued at less than \$10 million.

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### **Current Context**

As part of Budget 2012, the Province undertook a targeted review of its major asset base to identify those that were surplus to its needs and no longer offered a financial or strategic ownership benefit to own. The results of this initiative saw a number of surplus properties and assets identified and released for sale to other levels of government including First Nations and the private sector through the RAEG program.

Since fiscal 2013/14 the RAEG program has not only generated \$854 million of direct revenue for the Province (\$311 million FY 2013/14; \$125 million FY 2014/15; \$358 million FY2015/16 and \$60 million (unaudited) in FY2016/17), but has also stimulated significant new economic activity including development and new business opportunities in communities around British Columbia. For example BC Stats has estimated the total economic impact (includes redevelopment, indirect & induced) of the sale of Dogwood Pearson to be approximately \$3.104 billion dollars.

The fiscal plan released as part of *Budget 2017* forecasts net gains from sales of surplus properties of \$344 million (FY 17/18 - \$119 million; FY18/19 - \$201 million; and FY 19/20 - \$24 million).

Office of the Auditor General is currently undertaking an audit of this program with the final report to be issued in June/July 2017. Preliminary findings shared with the staff indicate that the program met its objectives with certain exceptions.

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### **Major Activities in 2017/18**

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### **Key Decisions in 2017/18**

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<b>TECHNOLOGY, INNOVATION AND CITIZENS' SERVICES</b>  <b>MONTHLY RAEG MEETING</b>	May 26, 2017
	9:00 – 10:00 AM
	Athana's Office 617 Government Street

**Attendees:** Athana Mentzelopoulos, Sarf Ahmed, Lorne DeLarge, Robin Levesque, Jason Macnaughton, David Galbraith

**Absent:** N/A

**Guests:** N/A

Time:	Item:	Presenter(s):	
9:00 am	Introductions	All	verbal
9:05 am	1 Updated RAEG Summary Report (20 mins)	Sarf	material
9:25 am	2 Draft Treasury Board Submission (20 mins)	Sarf	material
9:45am	3 Office of the Auditor General Update (5 mins)	Sarf/Jason	verbal
9:50 am	4 Transition Notes (5 mins)	Sarf	material
9:55 am	5 Jericho Reporting (5 mins)	Sarf/David	material

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Realized Net Proceeds to Date: \$61,348,256												Status	2016/17	2017/18	2018/19	2019/20+	Totals			
Property Name	Sector	2016/17 Net Proceeds Reported by Sector	Budget \$: Original (May 2012) /Additions to RAEG	2016/17 Net Proceeds Reported by Sector	2016/17 Gain (Loss) to be Confirmed by OCG	2016/17 OCG Financial Statements	Major Activity	2016/17				17/18	18/19	19/20+	Complete	\$61,348,256	See 17/18+ Report			\$61,348,256
								Q1	Q2	Q3	Q4									
								A	M	J	J				A	S	O	N	D	J
Risk Status Inventory: Red: Serious issues escalated to Executive; Yellow: Issues are being managed within the project; Green: No issues Budget \$ Net Proceeds at the time projects were added to RAEG															Contract in Place	\$0	See 17/18+ Report			\$0
															On Market	\$0	See 17/18+ Report			\$0
															Pre-Marketing	\$0	See 17/18+ Report			\$0
																\$61,348,256	N/A	N/A	N/A	\$61,348,256

 Completed Deal

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Property Name	Sector	2016/17 Net Proceeds Reported by Sector	Budget \$: Original (May 2012) /Additions to RAEG	2016/17 Net Proceeds Reported by Sector	2016/17 Gain (Loss) to be Confirmed by OCG	2016/17 OCG Financial Statements	Major Activity	2016/17				17/18	18/19	19/20+	Complete	\$61,348,256	See 17/18+ Report		\$61,348,256															
								Q1	Q2	Q3	Q4																							
Risk Status Inventory. Red: Serious issues escalated to Executive; Yellow: Issues are being managed within the project; Green: No issues										Budget \$ Net Proceeds at the time projects were added to RAEG				A	M	J	J	A	S	O	N	D	J	F	M				Contract in Place	\$0	See 17/18+ Report	\$0		
																												On Market	\$0	See 17/18+ Report	\$0			
																													Pre-Marketing	\$0	See 17/18+ Report	\$0		
																														\$61,348,256	N/A	N/A	N/A	\$61,348,256

								Due Diligence Complete				On Market				Estimated Completion				Completed Deal			
19	Willingdon Lands - ADJUSTMENT ON PRIOR YEAR SALE	MTICS	\$31,396	\$0	\$31,396	\$31,396	Completed Deal																Adjustments to 13/14 sale. Updated sales costs show in 16/17. See RAEG-029.
20	17326 - 100th Ave., Surrey	MOTI	\$879,182	\$749,202	\$879,182	\$888,063	Completed Deal																COMPLETED DEAL. Sold to 1097599 BC Ltd. for \$950,000. Completion March 15, 2017.
21	17570 - 100th Ave., Surrey	MOTI	\$1,341,995	\$930,407	\$1,341,995	\$1,355,551	Completed Deal																COMPLETED DEAL. Sold to 1097599 BC Ltd. for \$1.5M. Completion March 15, 2017.
22	10035 - 176th Ave., Surrey (consolidated with 10061 - 176th Ave., Surrey)	MOTI	\$1,174,392	\$652,522	\$1,174,392	\$1,186,255	Completed Deal																COMPLETED DEAL. Sold to 1097599 BC Ltd. for \$1.8M. Completion date March 15/17.
23	Cheekye Fan, Squamish	FLNR	\$3,185,220	\$8,500,000	\$3,185,220	\$3,210,260	Completed Deal																COMPLETED DEAL. Sold to Squamish Nation Land Holdings Ltd. for \$3.36M; completion date March 24/17.
24	23560 Westminster Hwy, Richmond	MOTI	\$3,113,986	\$2,335,169	\$3,113,986	\$3,145,440	Completed Deal																COMPLETED DEAL. Property sold to the City of Richmond for \$3.23M. Completion date March 30/17.
25	Station Street Properties, Vancouver (VCHA)	HLTH	\$0	\$14,440,770	\$0	\$0	Completed Deal																Formal deletion request received March 30/16; however, approval to delete this property was not granted on April 20/17; rather, the net proceeds were reduced to \$0 (from \$10.3M) and reflected in 16/17. Previous comments: Providence Health Care (PHC) has been advised by their auditor, KPMG, that there will be no net gain realized from this transaction. Property transfer completed in 15/16; transfer was overseen by the St. Paul's Hospital Redevelopment Oversight Committee and VCHA.
Total			\$ 61,348,256	\$ 83,184,165	\$ 61,348,256	\$ 61,708,261	\$ -																

CHANGE LOG SUMMARY												
Property Name	Sector	Net Forecast Change	Previous Period Net Proceeds	Current Period Net Proceeds	Variance	Status Change From	Status Change To	Schedule From	Schedule Change To	Major Activity From	Major Activity To	Comments
Wood Lake Elementary	MED	\$ 1,400,000	\$ 0	\$ 1,400,000	\$ 1,400,000		G		16/17		Comp	New addition
South Block (and Portion of Q Lot), Victoria - ADJUSTMENT ON PRIOR YEAR SALE	MTICS	\$ 1	\$ 501,286	\$ 501,287	\$ 1							
32nd Ave. School Site, Langley (SD35)	MED	\$ (300)	\$ 5,471,400	\$ 5,471,100	\$ (300)							
Murrayville Elementary, Langley (SD35)	MED	\$ (1)	\$ 9 104 176	\$ 9 104 175	\$ (1)							
Bradshaw Elementary, Langley (SD35)	MED	\$ 3	\$ 5,513,465	\$ 5,513,468	\$ 3							
		\$ 1,399,703			\$ 1,399,703							

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