

# City Property Management and Oversight Performance Audit

December 2023



## Why This Audit Is Important

The Property Services Bureau (Bureau) oversees City-owned property including land, buildings and facilities with a value of \$650 million. Ensuring that the City has strong management and oversight over its property allows the City to make the best use of it and capitalize on revenue opportunities.

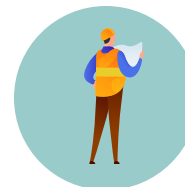
The Bureau is responsible for acquiring, leasing, selling, and transferring properties. Their processes are key to:



**Land Sales & Purchases**



**Leases to Businesses & Nonprofits**



**Space Planning for Services**

## What We Recommend



**Create Comprehensive Property Inventory**

Helps the City identify unused or underutilized property to generate revenue



**Utilize Competitive Solicitations or Independent Appraisals**

Ensures that the City receives market value for property sales



**Develop Evaluations**

Verifies that the City's below-market leases to nonprofits result in valuable benefits to the community



**Create Guidelines & Restrictions**

Sets expectations for tenants regarding property use and restrictions on lease end purchase options to assure community benefit



**Develop Long-Term Planning**

Allows the City to identify space needs for services and coordinate planning across different departments

## What Happens Next



The Bureau agreed to implement all 14 recommendations provided.



As stewards of public resources and holders of the public trust, we must ensure that the City's extensive property inventory is managed effectively to generate revenue, reduce risk and liability, and reduce long term capital costs where possible.

