

## COUNCIL POLICIES AND PROCEDURES

### SECTION - D

#### PROPERTY - SALE/PURCHASE POLICIES

**SUBJECT:** Sale of Municipal Property Number D-1

**APPROVAL DATE:** May 14, 2008

**PREAMBLE:** It shall be the policy of Council to consider sale of municipal property when requests are received or when property is no longer required for a municipal purpose.

#### **TERMS:**

##### 1. Request to Purchase Property

- a. Upon receipt of the appropriate "Expression of Interest" form (Appendix A) and a deposit of \$250.00, Municipal Staff will prepare a report and recommendation to be presented to Council for consideration.
- b. The deposit shall be held by the Municipality as a form of security until the decision is made whether to sell the property so requested.
- c. If a decision is made not to tender the property in question, the \$250.00 deposit shall be refunded in it's entirety.
- d. If the applicant is the successful bidder for the property or a decision is reached to waive policy and sell directly to the applicant the \$250.00 deposit shall be applied to the cost of the lands and expenses so incurred by the Municipality.
- e. If the applicant is not the successful bidder for the property the \$250.00 will be returned along with any tender deposit remitted.
- f. If the applicant does not tender on the property as advertised, and no other tenders are received or accepted by Council, the deposit, or that portion required to cover the expenses incurred to date, shall be applied to those expenses and the balance, if any, shall be returned to the applicant.

##### 2. Request for Proposals

- a. Council may consider, from time to time, the sale of certain strategic parcels of municipal lands by way of a "Request for Proposals" which shall be advertised in a local paper for a period of not less than 2 weeks.

b. Proposals submitted to the Municipality for the purchase of municipal land shall include the following information:

- i. detailed description of the development proposed;
- ii. detailed plot plan showing specific location of any buildings, structures or developments (including parking areas) within the site;
- iii. schedule for the construction of all components of the proposed development;
- iv. detailed description of the building design and other components such as exterior building materials, facade, signage, landscape and other aesthetics impacting on the area where the development will occur;
- v. amount offered for land on a per acre basis and an estimate of total value of project when complete; and,
- vi. detailed description of economic impact of project including number of jobs created both part-time and full-time.

c. Criteria for rating proposals shall be as follows:

- i. Suitability of Development Rating 20 pts.
  - Land Use Planning compatibility
  - Accessibility
  - Complimentary to existing uses in the area
  - Aesthetic impact (i.e.: structure, landscape, signage, etc.)
  
- ii. Economic Development Impact Rating 20 pts.
  - Employment opportunities
  - Tax base impact (displacement)
  - Need for service
  - Competitiveness to Community
  
- iii. Infrastructure Benefits Rating 20 pts.
  - Potential to improve sewer service
  - Potential to improve road/access service
  - Potential to improve other provincial or municipal services
  - Potential to allow for improved communication services
  
- iv. Community Benefits Rating 20 pts.
  - Provides for needs of local residents
  - Reduces need to seek services outside local area
  - Enhances the building compliment in the area
  - Supports or encourages tourism
  
- v. Direct Impact to Municipality Rating 40 pts.
  - Property taxation
  - Cost to provide infrastructure services
  - Efficient use of municipal land requirement

➤ Price paid for municipal land

- d. Council is not bound to accept any proposal; and, may accept a proposal in whole or in part.
- e. Transfer of the land will be made contingent on project implementation and construction as per proposal.
- f. Provision for transfer of the land back to the Municipality based upon project timelines not being met will be considered.
- g. In accordance with the Municipal Government Act the Municipality must receive market value for land sales.

### 3. Eligibility of Property for Sale

- a. Council shall investigate and verify ownership and eligibility of property before offering land or other property for sale. Ownership and eligibility will be determined by the completion of a title search and migration of the property where possible. A survey may be required to complete this process.
- b. Council shall request a valuation of the property to be sold which may be based on the assessed or appraised value of the property. However if the property is to be sold without tendering, Council shall request a written appraisal of the property, the same to be prepared by a qualified land appraiser.
- c. All sales of municipal property shall be in accordance with the provisions set out in the Municipal Government Act for the sale of municipal land.

### 4. Terms of Sale

- a. All deeds for the sale of municipal lands shall be Quit Claim or Warranty Deed subject to any easements, rights-of-ways, and public roads on or over the lands.
- b. In addition to the purchase price, the purchaser shall pay the Municipality on or before the closing date the following:
  - i. the expenses of the Municipality in searching the title and migration of the property;
  - ii. the expenses of the Municipality in surveying the property, when required;
  - iii. the deed transfer tax on the sale;
  - iv. the HST on the sale;
  - v. the recording fees for the deed;
  - vi. the postage expenses; and,
  - vii. the expenses of the Municipality in arriving at the valuation of the property.

- c. The purchaser must, prior to the sale, agree to comply with all the municipal bylaws and regulations in his/her use of the lands purchased.
- d. Closing date for the sale shall be within thirty (30) days of the date of notification of final municipal expenses of sale.

#### 5. Procedures on Tendering

- a. All tender bids for the purchase of property shall be accompanied by a deposit equal to ten percent (10%) of the tender price, or such other amount as the Council may have determined. The deposit shall be in the form of a certified cheque, cash or money order. Failure to enclose the required deposit will result in rejection of the bid.
- b. The Municipality reserves the right to reject any or all tenders received. Should the Municipality decide that it is in the best interest of the Municipality to retain the tendered property, the tenderers shall have no claim against the Municipality.
- c. Only those tenders received on or before the deadline date advertised for the submission of tenders will be considered by Council or it's authorized representative.
- d. If a tender bid is withdrawn following acceptance by Council or it's authorized representative, the accepted tenderer's deposit shall be forfeited to and retained by the Municipality as liquidated damages, with the Council reserving the right to proceed against the tenderer for additional expenses and damages incurred and the tender being deemed as having not been received.
- e. The Municipality accepts no responsibility for damage to the tendered property after the date of notification of acceptance of tender to the successful tenderer.

#### 6. Waiver of Policy

- a. This policy may be waived by a majority vote of Council if:
  - i. A request is received to purchase the land by family members of the last known owner of the property prior to its acquisition by the Municipality.
  - ii. A request is received from an adjacent landowner and the size of the lot in question is less than one acre.
  - iii. The public interest appears to be better served accepting the initial offer without tendering.
  - iv. A fair and reasonable price is received in accordance with the Terms of Sale for municipal property.
  - v. The valuation received shall be in accordance with the Eligibility of Property for Sale section of this policy when determining the price of the property to be sold.

- vi. All sales of municipal property shall be in accordance with the provisions set out in the Municipal Government Act for the sale of municipal land.
- vii. A request is received for the purchase of a parcel of municipal land and upon review the parcel requested is not required for a municipal purpose but is considered to be strategic in location for economic development purposes then Council may, by majority vote, waive this policy to sell by public tender. In lieu of the public tender process Council may instead request proposals in accordance with the Request for Proposals section of this policy which establishes the requirements of the proposal and criteria for evaluation.

7. Limits of Responsibility

- a. The sale of municipal property shall be without warranty as to its completeness or condition, its accessibility or its suitability for intended use of the purchaser. This shall apply to land, equipment, vehicles, buildings or any other property offered for sale by the Municipality of the District of Guysborough.
- a. All property to be sold, shall be sold “**AS IS, WHERE IS**”.