



Policy Name: Land Sale Policy

TR - 38

Date Adopted: March 21, 2012
Date Amended: January 20, 2020

Motion No. 12-13-02
Motion No. 2020-02-09

Purpose

To implement a policy for the disposition of District-owned land deemed surplus to the District's needs.

Policy Principles

The following are key principles of the District's Land Sale Policy:

- Council will make every reasonable effort to ensure that that a consistent process is followed in the sale of District-owned land and that the process of selling land will be open and transparent;
- Council will adhere to the legal obligations established in the *Community Charter* regarding the sale of District-owned land;
- District-owned land will not be sold for speculative purposes and the District will require that purchasers commence development within an appropriate timeframe;
- District-owned land will be sold to support the goals and objectives of the District's Official Community Plan.

Inventory of Properties for Sale

Properties will be marketed in the following manner:

- Council will, by resolution, identify lands that are available for disposition;
- Information packages will prepared for each property available for disposition and will include the following information:
 - Approximate size of property
 - Location within the District
 - Appraised value (updated as necessary)
 - OCP designation and Zoning
- A minimum of one (1) sign will be erected on the property to identify the parcel and relay relevant information as highlighted in the bulleted list above

Marketing and Advertising of Land

The District will market land in the following manner:

- The list of properties for disposition will be available at the Town Hall during normal business hours and this will be the most up-to-date version;
- The list of properties for disposition will be made available on the District's economic development website at:
<https://listings.districtoftumblerridge.ca/listings/>;
- A minimum of one (1) sign will be erected on the property to identify the parcel and relay relevant information as outlined in the previous section of this policy;
- Public notification of property disposition will be done in accordance with the *Community Charter* provisions for public notification;
- Council may, by resolution, decide to enlist a real estate agent or other land marketing company to assist with the marketing of land for disposition as well as select other means of advertising land for sale. For each sale of District property administered by a duly appointed real estate agent, the District will pay a maximum sales commission of 4% on the first \$100,000 of sale price, and 2.5% on the remainder.

Disposing of Land for Less than Fair Market Value and Partnerships

The *Community Charter* prohibits the District from giving assistance to a business, including by disposing of land or improvements, or any interest or right in them, for less than market value, except under a partnering agreement with that business for the provision of a service on behalf of the District. Council will consider entering into a partnering agreement with a potential purchaser if the proposed development involves the provision of a service on behalf of the District.

The District may dispose of land or improvements for less than market value to a non-business entity without a partnering agreement. The District must give notice of any such assistance in accordance with the *Community Charter*. For the purposes of clarification, these would include registered non-profit agencies providing services to the benefit of the community.

Identifying Preferred Purchasers

The typical process used by Council to identify a preferred purchaser will involve the following:

- The District will accept letters of interest from prospective purchasers. Letters of interest should include the legal description of the property of interest, the name of the proposed purchaser and/or representative, the proposed purchase price and the intended use of the land;

- Council, at its discretion, can choose one of the following options:
 - Enter into negotiations with one of the prospective purchasers to develop the terms and conditions for a purchase and sale agreement;
 - Establish a formal, competitive Request for Proposal process which will help Council identify the preferred purchaser. Selection criteria could include purchase price, compliance with municipal plans, provision of amenities and timing of development. Once a preferred proponent is identified, the District would enter into negotiations to develop the terms and conditions for a purchase and sale agreement.
- The selection of a preferred process (RFP or direct sale) may be based on the level of interest in a particular property, the appraised value of the property, and the community significance of the property (i.e. located in the town centre) or any other factor that Council deems important to the disposition of a particular property;
- Once a preferred proponent is identified, the District will provide a letter of intent to enter into negotiations to the preferred proponent;
- Once a purchase and sale agreement is signed, a deposit for 10% of the purchase price or \$3000, whichever is greater, shall be provided.

Development Assurances and Timeline Requirements

District-owned lands will be sold for the purpose of immediate development and use. In order to ensure appropriate and timely development, Council may require that a particular property be sold subject to the purchaser granting the District a covenant promising to develop the land in accordance with approved plans, and an option to repurchase the property for 90% of the purchaser's purchase price, plus fair market value of improvements, should the purchaser fail to substantially complete all improvements within the required timeline. Two years will be the standard development timeline, though Council may, by resolution, approve longer timelines or grant extensions upon request.

For the purposes of this land sale policy, an improvement will be considered "substantially complete" once the improvement or a substantial part of it is ready for use or is being used for the purpose intended.

Council will accept consolidation of properties as a form of development.

Subdivision of Parcels

The District currently owns properties that may be subdivided to enable the sale of smaller lots. Council will consider permitting the purchase of a portion of a lot.

The prospective purchaser will be responsible for all ancillary costs associated with surveying and subdividing the land as well as paying the District's costs for commissioning an independent appraisal of the proposed subdivided property and the remaining land.