

THE RURAL MUNICIPALITY OF EAST ST. PAUL
POLICY & PROCEDURES MANUAL

<i>Reference</i> Planning	<i>Classification</i> Policy
<i>Subject</i> Surplus Lands Policy	<i>Pages</i> 7
<i>Authority</i> Council	<i>Effective Date</i> May 9, 2023
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1. Policy Statement

The Municipality will dispose of surplus Land in an open and transparent process to ensure that the consideration for such disposal is fair, reasonable, and in the best interest of the Municipality.

2. Definitions

- 2.1 **Appraisal** - means a fair market valuation of the Land conducted in accordance with Section 4.2.
- 2.2 **Council** – means the municipal council of the Municipality.
- 2.3 **Disposition** - means the sale, transfer, conveyance, or exchange of the fee simple interest in Land or the granting of a lease for a term of twenty-one (21) years or longer, and does not include the granting of an easement or right of way, and "disposal" shall have a similar meaning.
- 2.4 **Land** - means real property owned by the Municipality.
- 2.5 **Municipality** – means the Rural Municipality of East St. Paul.
- 2.6 **Surplus** - means property that the Municipality no longer requires to meet its current or future needs.

3. Applicability

This Policy applies to the Disposition of Land by the Municipality. Land Disposition procedures may be initiated in response to inquiries from the public, unsolicited offers, or as the result of internal municipal actions and decisions of Council.

4. The Policy

The following procedures shall apply to the Disposition of Land by the Municipality:

4.1 Declaration of Surplus Property

- (a) Prior to the Disposition of Land by the Municipality, Council shall declare the Land to be Surplus in the following manner:
 - (i) The Chief Administrative Officer will forward inquiries to the manager of each municipal department requesting their opinions as to the potential Disposition of the Land;
 - (ii) Where subject to the inquiry procedure, the manager of each municipal department has considered that Land is deemed to be Surplus to the Municipality's requirements, the Chief Administrative Officer will submit a report to Council recommending that the Land in question be declared Surplus to the needs of the Municipality;
 - (ii) Where Council deems it advisable to adopt any recommendation from the Chief Administrative Officer with respect to declaring any Land owned by the Municipality as surplus Council will, in a meeting open to the public, pass a resolution declaring any such Land surplus to the needs of the Municipality.

4.2 Appraisal

- (a) The Municipality, before disposing of Land, shall obtain at least one Appraisal of the Land to be disposed of. An Appraisal is valid for a maximum of one (1) year after being received by the Municipality and, at the discretion of Council, shall be conducted by:
 - (i) An opinion of an independent real estate agent, having knowledge of land values in the area; or
 - (ii) A formal valuation by a qualified real estate appraiser.

(b) Notwithstanding the preceding, the following classes of Land are exempt from the requirement to obtain an Appraisal prior to its Disposition:

- (i) Land 0.3 metres or less in width;
- (ii) Closed highways, roads, and road allowances;
- (iii) Land that is required by the Municipality to be acquired by the developer as part of a development;
- (iv) Land formerly used for railway branch lines if sold to an owner of Land abutting the former railway land;
- (v) Land that does not have direct access to a highway if sold to the owner of Land abutting that Land; and
- (vi) Cemetery plots.

4.3 Sale Price/Minimum Bid/Conditions

- (a) Council, at its discretion, shall determine:
 - (i) The sale price of any Land or minimum tender bid; and
 - (ii) The conditions, if any, associated with the Disposition and/or development of the Lands.
- (b) The sale price or minimum tender bid shall include the sale price of Land plus the anticipated costs being incurred by the Municipality with respect to the sale, including, but not limited to, legal fees, surveys, appraisal fees, and the publication of public notices.
- (c) The purchaser shall be responsible for all costs incurred or required for the Disposition of the Land, including, but not limited to, legal fees, surveys, appraisal fees, encumbrances, advertising, improvements, environmental testing/remediation, demolition, due diligence research, administrative fees, land transfer taxes, and fees, and registration fees.

4.4 Notice

- (a) Upon Council having declared Land Surplus to the needs of the Municipality but before any such Land is disposed of by the Municipality, the Chief Administrative Officer will give notice to the public of the intention of the Municipality to dispose of the Land in question.

- (b) Where the Land to be disposed of is, in the opinion of the Chief Administrative Officer, developable as a separate parcel of Land, the notice referred to in paragraph 4.4(a) shall be in the following forms:
 - (i) Publication once of an advertisement in a newspaper of general circulation;
 - (ii) The posting of a "For Sale" sign on the Land in question; and
 - (iii) Posting a notice on the Municipality's website.
- (c) Where the Land being disposed of is, in the opinion of the Chief Administrative Officer, not developable except in conjunction with other adjacent Land, the notice referred to in paragraph 4.4(a) may be in one or more of the forms identified in paragraph 4.4(b) of this Policy.

4.5 Methods of Sale

- (a) Depending on the nature of the Land, various methods may be employed for the Disposition of the Land, including proposal call, tender process, listing through the Multiple Listing Service, direct advertising, direct negotiations with an abutting property owner, or other direct negotiations when authorized by Council.
- (b) Subject to paragraphs (c) and (d) hereof, the Chief Administrative Officer shall be responsible for determining the appropriate method of sale.
- (c) Unsolicited offers shall only be considered when provided in writing to the Chief Administrative Officer with a clear reference and description of the parcel of Land to which the unsolicited offer is being made.
- (d) Upon receipt of unsolicited offers, the method of sale to be used is public tender.

4.6 Procedures for Disposition by Proposal Call

In addition to the requirements set out in Sections 4.1 to 4.5, inclusive of this Policy, the Disposition of Land by proposal call shall be in accordance with the following procedures:

- (a) Upon Council having declared Land Surplus to the needs of the Municipality, where such Land, in the opinion of the Chief Administrative Officer, may be suitable for major redevelopment as determined by the

Chief Administrative Officer, the Chief Administrative Officer will recommend to Council that proposal call documents be drafted;

- (b) When the proposal call documents have been prepared, a notice of the proposal call will be in accordance with the notice provisions of this Policy;
- (c) Sealed proposal calls will be opened at the appointed time in accordance with the Municipality's tendering Policy and referred to the Chief Administrative Officer for consideration and recommendation to Council; and
- (d) Further direct negotiations with proponents will be at the direction of Council.

4.7 Procedures for Disposition by Public Tender

In addition to the requirements set out in Sections 4.1 to 4.5, inclusive of this Policy, the Disposition of Land by public tender shall be in accordance with the following procedures:

- (a) Upon Council having declared Land Surplus to the needs of the Municipality, the Chief Administrative Officer will suggest a market value for the Land and recommend to Council that the Chief Administrative Officer be authorized to call tenders for the sale of the Land;
- (b) Notice of the tender call will be in accordance with the notice provisions of this Policy;
- (c) Offers to Purchase will be opened at the appointed time in accordance with the Municipality's tendering Policy;
- (d) The terms of sale of such properties will be a deposit of 10% or other amount deemed appropriate by the Chief Administrative Officer, in the form of a certified cheque and/or cash to accompany the offer and cash on closing;
- (e) The offers will be referred to the Chief Administrative Officer for review and recommendation to Council;

4.8 Procedures for Disposition by Direct Negotiation

In addition to the requirements set out in Sections 4.1 to 4.5, inclusive of this Policy, the Disposition of Land by direct negotiation shall be in accordance with the following procedures:

- (a) Upon Council having declared Land Surplus to the needs of the Municipality, where, in the opinion of the Chief Administrative Officer, considering the current market value of the Land as well as the value of the said Land to the abutting land owners or other prospective purchasers, it is advisable to dispose of the Land through direct negotiations, the Chief Administrative Officer will conduct direct negotiations with the abutting owner(s) or other prospective purchasers and report the results and recommendations to Council.

5. General

- 5.1 The Municipality reserves the right to undertake activities to increase the value of Lands before Appraisal(s) and Disposition.
- 5.2 The Municipality makes no representation regarding the title or any other matters relating to the Land to be sold. Surplus Land is sold "as is, where is".
- 5.3 This Policy shall be reviewed and updated a minimum of every six (6) years.

6. Process Steps

6.1 Unsolicited Offers

- (a) Receipt of an unsolicited offer to purchase Land
- (b) Council declares Land surplus
- (c) Public tender determined as the method of sale
- (d) Appraisal
- (e) Council establishes the minimum tender amount
- (f) Public notice provided

6.2 Municipal Initiative

- (a) Council declares Land surplus
- (b) Council determines the method of sale
- (c) Appraisal
- (d) Council establishes the sale price or minimum tender amount
- (e) Public notice provided