

	POLICY TITLE: Disposition of Municipal Land	POLICY NO: 2021-01
	AUTHORITY: Council	CLASSIFICATION: Land / Municipal Assets
	EFFECTIVE DATE: September 13, 2021	MOTION: 137-21
	SUPERSEDES: None	

1. Purpose

The Disposition of Municipal Land Policy applies to the sale and disposition of surplus land owned by the Corporation of the City of Greenwood.

2. Scope

This policy provides a consistent, transparent and accountable procedure to be followed in the disposition of surplus land owned by the Corporation of the City of Greenwood. Land disposal 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.

3. Definitions

“Appraisal” means a written valuation of the fair market value of land, performed by an independent, certified appraiser.

“CAO” means the Chief Administrative Officer for the Corporation of the City of Greenwood.

“Council” means the Council for the Corporation of the City of Greenwood.

“Lands” means any real property owned by the Municipality including any structures and buildings located thereon.

“Municipality” means the Corporation of the City of Greenwood.

“Sale” means the transfer of legal title of land.

4. Procedures

The following is a brief description of the process for the sale of municipal lands:

- Council receives an unsolicited offer for purchase, or initiates the sale of municipal land;
- Council declares the land to be surplus (by resolution);
- Council determines the method of sale;
- Independent appraisals are conducted;
- The sale price of land, or a minimum tender amount, is established;
- A public notice for the sale of surplus land is published;
- Tender packages are made available to potential buyers;
- Tender bids are evaluated by Council, accepted and both parties enter into agreements for the sale and purchase of the surplus land;
- Finalization of the agreements for sale and purchase of surplus land is completed by solicitors;
- A Council meeting is held and a bylaw is passed to sell the surplus land.

Disposition of Municipal Land Procedures

- a) **Commencement:** The municipality may commence the proceedings to dispose land at its own initiative, or upon the receipt of a written request from an applicant.
- b) **Declaration of Surplus Land:** Prior to the sale of land Council shall determine by resolution that the subject lands are surplus to the requirements of the municipality.
- c) **Method of Sale:** Council has the absolute discretion to select the particular method of disposing land. These methods include:
 - Sale by public tender;
 - Listing with a real estate firm or broker;
 - Direct sale (no real estate firm or broker);
 - Other method as determined by Council.
- d) **Unsolicited Offers:** Unsolicited offers are only considered when provided in writing to the CAO's office with a clear reference and description of the parcel of land to which the unsolicited offer is being made. If one (1) or more persons have expressed an interest in purchasing land, Council may by resolution direct that the land be sold by public tender.
- e) **Appraisal:** The municipality shall, prior to the sale of any land, obtain at least one (1) appraisal of the fair market value of the land. An appraisal is valid for a maximum of one (1) year after being received by Council. The appraisal must be prepared by an independent, certified appraiser.
- f) **Sale Price of Land:** Council shall determine the sale price of any land or establish a minimum tender bid. The sale price or minimum tender bid shall include the sale price of land plus the anticipated costs incurred by the municipality with respect to the sale, including but not limited to:
 - Legal fees;
 - Surveys;
 - Appraisal fees;
 - Encumbrances;
 - Administrative fees;
 - Advertising and public notice;
 - Land transfer and registration fees.
- g) **Land Reserve Fund:** All funds obtained from the disposition of municipal land shall be allocated to the Land Reserve Fund.
- h) **Public Notice:** The public notice to the public of a proposed sale or other disposition of land shall be in accordance with Section 94 of the *Community Charter*.
- i) **Public Comment:** The public notice shall specify that anyone wishing to comment on the proposed sale or other disposition may do so by appearing at a Council meeting or by delivering written comments to the CAO before the date the proposed sale is considered by Council.

- j) **Representation and Warranty:** The municipality makes no representation or warranty regarding the land or any other matters relating to the land to be sold. Surplus land is sold “as is / where is”. Potential purchasers are encouraged to carry out due diligence inspections.
- k) **Exemptions:** Municipal tax sales and easements granted to public utility companies are exempt from the provisions of this policy.
- l) **Errors and Omissions:** Any error or omission in following the procedures, in which the error or omission was not the result of bad faith on behalf of the municipality, will not render such disposal invalid or void.

5. Public Tender Sales

- a) Once Council determines that the method of sale is by public tender, an appropriate date and time is to be set.
- b) Notice of the sale by public tender will be circulated for four (4) weeks, with the last advertisements circulated at least seven (7) days prior to the date of the sale. The municipality may choose to advertise in local papers and on the municipality’s social media (website and Facebook) pages.
- c) A tender package will be created for each parcel of land. The municipality reserves the right to edit the tender package for each sale, including the right to request a detailed development plan for the subject property. Packages will be made available to potential tenderers. The packages will include (but not limited to) the property roll number, minimum sale/tender amount, location map, legal description, current assessed value, approximate property size, and zoning. The package will include who to and how to submit the tender bid.
- d) Tender bids must be submitted with the tender package in a sealed envelope, addressed to the CAO, with a brief description of the land / municipal address to identify the parcel to which the tender relates (see attached Form A). Tender bids are to be accompanied by a deposit of at least ten (10) percent of the tender bid amount by way of a money order, bank draft or cheque (payable to the City of Greenwood).
- e) A tender shall relate to only one parcel of land unless the municipality offers the land for sale as a block of parcels.
- f) The deadline to submit tender bids and the date of sale shall be established by the municipality and included in the tender package. Tender bids may be withdrawn upon receipt by the municipality of a written request from a tenderer prior to the deadline to make a submission.
- g) Upon the receipt of a tender offer, the CAO shall note on the envelope the date and time on which it was received and retain it unopened in a safe place. In the case of two or more tender offers being equal, the tender that was received earliest shall be deemed the successful bid.
- h) Tenders will be opened by the CAO on the date the deadline for tender bid submissions expires. Sealed envelopes shall be opened in a public space in the presence of at least one additional person who has not submitted a tender (this person may be a municipal employee).

- i) Tenders shall be rejected if:
 - they are not equal to or greater than the minimum tender amount as shown in the public notice; or
 - the tender has been withdrawn; or
 - the tender does not comply with the terms outlined in this policy and/or tender package; or
 - the tender is not accompanied by an appropriate deposit amount.
- j) Rejected tenders shall be returned by registered mail to the tenderer along with the tenderer's deposit, if any, and a statement outlining why the tender was rejected.
- k) If there are no tenders received or no tenders that comply with the terms outlined in this policy and/or the tender package, the CAO will notify Council that there was no successful purchaser.
- l) The municipality shall evaluate the tender packages to determine who is the successful bidder.
- m) The municipality shall provide notice to the tenderer by mail that the tender bid will be deemed to be successful if, within fourteen (14) days of receipt of the notice, the balance of the amount tendered (including all taxes and applicable fees) are paid to the municipality.
- n) If the tenderer does not make payment as set out in Section 5(m), the tenderer's deposit shall be forfeited to the municipality. The municipality then has the option of considering an alternate tender bid for the property.
- o) If the tenderer makes the payment set out in Section 5(m) the municipality will declare the tenderer to be the successful purchaser and finalization of the sale will commence.
- p) The municipality reserves the right to cancel a public tender sale at any time.
- q) The municipality may, at their discretion, choose to add additional sale terms to a sale of surplus land. Any additional sale terms will be outlined in Form A and advertised with the public tender documents.



THE CORPORATION OF THE CITY OF GREENWOOD

TENDER TO PURCHASE – FORM A

TO: Marcus Lebler, CAO
202 S. Government Ave.
PO Box 129
Greenwood, BC V0H 1H0

RE: Sale of Municipal Land: *(insert description of land, as included in tender package)*

Municipal Address: _____

Legal Description: _____

I/We are interested in purchasing the above property, and the development plan for the land is: (attach additional information if necessary)

The offer for the property is: \$_____.

I/We understand that:

1. This tender must be received by the CAO’s office not later than 3:00 pm local time on _____ *(insert date of sale)*, and that in the event of this tender being accepted, I/We shall be notified of its acceptance.
2. In addition to the purchase price, the purchaser will be responsible for paying any fees and legal costs to register the land in the purchaser’s name(s).
3. Any necessary survey costs to confirm the land to be purchased shall be my / our responsibility.
4. Acceptance of this offer to purchase does not guarantee that any required planning applications (minor variance, zoning bylaw amendment, Official Community Plan amendment, etc. will be approved.
5. Development of the property shall commence within one (1) year and be completed within two (2) years of the transfer of title.
6. Various conditions may be placed on the acceptance of this offer at the discretion of Council.
7. The property is purchased on an “as is / where is” basis.

I/We acknowledge that a copy of the Corporation of the City of Greenwood Policy No. 2021-01 Disposition of Municipal Land has been received.

Signed: _____

Dated: _____

Name(s): (please print) _____

Mailing Address: _____

Daytime Phone Number: _____ Email: _____