



POLICY

Policy No. 66 57 22/02/07
Department: Administration

Municipal Lot Sales

POLICY STATEMENT:

This policy applies to the sale and disposition of real property by the Town of Nanton. It applies to:

- All Town employees;
- Elected officials;
- All agents acting on behalf of the Town of real property matters, including any real estate brokers authorized to dispose of real property on behalf of the Town.

PURPOSE: Council considers it prudent and advisable to establish a consistent, transparent and accountable procedure to be followed in the disposition of real property assets by the Town. It also wishes to provide prospective purchasers and developers with flexibility and incentives that will help the municipality expand its assessment base over time and meet other strategic objectives.

POLICY:

1. (a) Sale offers will be dealt with on a first-come first-served basis.
(b) Pricing policy for lots, where applicable, for negotiation, advertising and listing is set by Schedule "A", attached hereto.
2. All offers must be made in writing on a Town adopted Sale Agreement form. The Agreement form used, as amended from time to time, will be adopted by resolution of Council.
3. Offers must include proposed consideration (purchase price) for the lands. The Chief Administrative Officer may negotiate any potential offer with the buyer prior to Council consideration.
 - 3.1 Purchasers will be made aware that offers of less than market value must be advertised to the public in accordance with s. 70 (1) of the Municipal Government Act.
 - 3.2 In the absence of an accepted appraisal document, the minimum acceptable "market value" of land is its current assessed value for municipal taxation purposes.
 - 3.3 Real estate appraisals, when required, are generally to be conducted at the sole expense of the prospective purchaser and must be conducted by a qualified professional appraiser.
4. All offers below market value must be presented to Council for consideration at the next regularly scheduled meeting of Council during an in-camera session.
 - 4.1 All offers concerning the sale of commercial or industrial lots must be presented to Council for consideration at the next regularly scheduled meeting of Council during an in-camera session.

- 4.2 If the Purchaser wishes to make a presentation to Council, notification must be made with the CAO at least 5 days in advance of the meeting date.
5. The Chief Administrative Officer, and/or Council, reserves the right to reject any or all offers.
- 5.1 The Chief Administrative Officer, and/or Council, may request a copy of the proposed building design, construction drawings and site plan with any offer. Purchasers must provide a conceptual building design and site plan with any offers concerning residentially districted municipal land.
- 5.2 The Chief Administrative Officer, and/or Council, shall reject an offer based on the review of the plans provided in Section 5.1 if there is a conflict with the aesthetic intentions or design standards laid out in any relevant Land Use Bylaw, Area Structure Plan, adopted architectural guidelines or Town policy.
6. A ten (10) percent deposit must accompany all offers; balance to be paid on or before the Closing Date. Late payment may, at the Town's discretion, result in the purchaser's deposit being withheld or 18% per annum interest charged on the balance outstanding. The deposit may be waived by the Chief Administrative Officer while the pending offer is being presented to Council for consideration.
- 6.1 If a sale is going to be executed pursuant to section 14 of this policy, the deposit must also include the cost of the Town legally consolidating the lots by descriptive plan (as this will be done prior to transaction completion).
7. Closing Date on non-conditional offers shall be 30 days from date of contract execution, or as otherwise agreed to in writing by all parties.
8. The only accepted conditions on any lot sale are as follows:
- (a) Discretionary Development Application approval or waiver is required from the Municipal Planning Commission, within a limited period of forty (40) days from the offer date;
- (b) To secure financing, within a limited period of thirty (30) days from the offer date.
- 8.1 Closing Date on conditional offers shall be 15 days following the condition period, or as otherwise agreed to in writing by all parties.
- 8.2 A ten (10) percent deposit must also accompany conditional offers. Should the condition(s) not be met, an administration fee of **\$250.00** will be deducted from the deposit and only the balance refunded.
9. The Goods and Service Tax (GST) will be added to all lot prices; however if the Purchaser is properly registered for the purposes of the Goods and Services Tax pursuant to the *Excise Tax Act* of Canada, and prior to the Closing Date the Purchaser has provided to the Vendor (in a form satisfactory to the Vendor) confirmation of a G.S.T. registration number, confirmation that the Purchaser is such a registrant, and a covenant by the Purchaser to indemnify the Vendor with respect to any and all costs relating to the G.S.T. payable with respect to this transaction, G.S.T. shall not be payable on the Closing Date.
10. The Town will provide the purchaser's solicitor with a registerable transfer of land and any other necessary documentation prior to the Closing Date on reasonable trust conditions which will allow the transaction to close. Possession of the lands will occur at 12 noon on the Closing Date. The purchaser or the purchaser's solicitor is responsible for registration of the transfer.

11. The purchaser is required to:
- (a) start construction of the development within twenty-four (24) months; and
 - (b) complete construction within thirty-six (36) months from the Closing Date of the sale, unless otherwise agreed to in writing by all parties.
12. In the event that the purchaser does not comply with any or all of the conditions in current or previous lot sales agreements or the conditions of development approval to the Town's satisfaction, the purchaser may, at the Town's discretion, be prohibited from purchasing any additional lots.
13. Lots must be purchased through Town administration. Lots purchased through referral from a real estate broker are subject to a 5% commission. Any brokerage representative that refers a client to the Town will be paid upon the final completion of a sale between the Town and the purchaser.

14. **Westview Lot Size Flexibility:**

The Chief Administrative Officer may consider and approve the sale of two adjacent vacant Westview 'Phase 3' lots for the purpose of consolidating the lots by descriptive plan to form one parcel, subject to these conditions and guidelines:

- (a) These new parcels may not exceed a 0.36 acre area (13,068 square feet/15,532 square metres) and must have a minimum frontage of 22 metres (72.2 feet).
- (b) Legal consolidation must be executed prior to asset transfer, the cost for this added to or included in the purchase price.
- (c) Vacant lots shall not be sold to adjacent property owners with completed and occupied dwellings for the purpose of consolidation unless:
 - o there are demonstrable plans submitted by the purchaser that commit to significant expansion, replacement or renewal of their existing principal dwelling beyond its current lot footprint; OR
 - o plans or drawings submitted convey a reasonable expectation of assessed improvements equal to or greater than what could be achieved through a single-detached dwelling being constructed on the vacant lot as originally intended by the Town.
- (d) All construction and use proposals must still conform to existing Land Use Bylaw regulations, as amended from time to time.
- (e) Corner Lot consolidation is preferred.
- (f) The Town shall not sell or subdivide portions of existing vacant Westview lots to facilitate a sale, leaving remnants with little to no value in municipal inventory.
- (g) Only one residential water and sewer service will be permitted for the principal dwelling of the consolidated property unless planning regulations or the Municipal Planning Commission, by discretion, permit a second dwelling unit on the property.

15. **Non-Residential Land Sale Considerations:**

- (a) Completed offers will be evaluated based on the following criteria, as applicable:
 - Type of industry / business



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REPLACES POLICY: 66 318 20/11/02

- Size of building/development
 - Number of employees
 - Estimated water demand (per month, average)
 - Type of effluent and method of treatment
 - Inclusion of sustainable building and operating practices
 - Transportation routes to be used
 - Adherence to provincial, federal or industry approval standards and regulations, as necessary (i.e. Alberta Environment)
 - Timeframe for commencement and completion of development servicing requirements and/or preliminary servicing plans
 - Compliance with the Town's Bylaws
 - Conditions for benefit of the Purchaser
- (b) If the offer is accepted by Council, the Sale Agreement may then be executed by the duly authorized signing authorities of the Town with all conditions and terms of the Agreement coming into full force and effect.
- (c) If there are changes requested by Council, Administration will notify the Purchaser within 5 days of the meeting. The Purchaser will then have 14 days from notification to provide a revised offer to the Town. If a reply is not received at the Town within that time, the offer will be considered withdrawn and a deposit return, in whole or in part, will be considered by Council.
- (d) If the offer is rejected by Council, the Purchaser will be notified by Administration within 5 days of the meeting. Deposit will be returned to the Purchaser.
- (e) Multi-lot and conditional offers may be considered.
- (f) All servicing/utility requirements for the lands will be the responsibility of the Purchaser unless otherwise stated in the offer. Installation of services will be subject to the Town's Standards and Guidelines, provision of a Development Agreement, payment of off-site levies and Engineering review and acceptance as required.

16. **Nanton Advantage Land Incentive:**

A rebate on the purchase price of the lot or parcel, is available from the Town of Nanton if development is completed within 24 months of completed purchase, as follows:

- (a) Residential lot – Rebate of \$5,000 for completion of any single or two-family dwelling inspected and ready for occupation.
- (b) Multi-residential lot – Rebate of \$7,500 for completion of any three-or-more unit dwelling inspected and ready for occupation.
- (c) Non-Residential lot – Rebate of \$8,000 for completion of a new development inspected and ready for occupation with a minimum assessed **improvement value** of \$300,000.

17. Purchaser is responsible for costs associated with connection to all utilities.

18. The CAO may accept Non-binding Expressions of Interest from prospective purchasers to allow lots to be held with a non-refundable deposit of \$250 for a limited, non-extendable period of up to ninety (90) days.



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19. This policy repeals and replaces in its entirety both Policy Statements 66 43 20/02/18 and 66 318 20/11/02 (Municipal Lot Sales Policy)


MAYOR

February 7, 2022
Date


CHIEF ADMINISTRATIVE OFFICER

February 7, 2022
Date

Schedule 'A'

Westview Phase III Lot Pricing guidance (serviced bare land R1)

Individual lots up to 912 m² area
<i>Current assessed value of the bare land plus 10 per cent</i>
Legally consolidated double lots over 1000 m² area
<i>Current assessed value of each individual bare land lot plus 5 per cent and the cost of legal consolidation by the Town</i>