



RURAL MUNICIPALITY OF ST. ANDREWS

POLICY AND PROCEDURES MANUAL

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MUNICIPAL LAND ACQUISITION AND DISPOSAL POLICY

INTRODUCTION

The municipality has multiple functions in land management which includes acquisition, disposal and managing properties to provide existing or future public works infrastructure, greenspace or recreational purposes. Acquiring and disposing of land requires strategic oversight to make sure the best use is made of public assets and funds. This policy sets out the criteria to guide decision making when acquiring or disposing of land. This policy ensures the reasons behind decisions are consistent, predictable, equitable, and available to the public.

PURPOSE

The purpose of this policy is to provide guidelines and procedures to acquire and dispose of municipal land assets as guided by the following:

Policy Principles

- A. **Strategic Investment** - The municipality may acquire land for the purpose of investment, where the acquisition is strategically important to the municipality and/or the community, or to maximize value for rate payers.
- B. **Public Interest** – The municipality will ensure that all land decisions are made in the pursuit of the best interests of the public. Other options and their consequences are considered before acquisition and disposal.
- C. **Financial Responsibility** - The municipality will exercise financial responsibility to get the best value for public money and seek to maximize the value of its land assets and minimize whole-of-life costs.
- D. **Strategic Planning** – Decisions on the acquisition and disposal of land should be made in the wider context of long-term trends, impacts, and will reflect the municipality’s future planning based on related plans and reports, with the understanding that unforeseen opportunities may arise which may provide a benefit to the community that should be acted on.

- E. **Transparency of Process** – Land acquisition and disposals will be run in an open and transparent manner to ensure public funds are managed responsibly, whilst acknowledging that protecting landowner rights with respect to land acquisition and disposal will often require that certain information be kept confidential.

Policy Objectives

The objectives, as described below, should be considered in all acquisition and disposal transactions.

- A. Land assets owned by the RM of St. Andrews will be acquired or disposed of in a manner that:
- Maximizes public benefit and is in the public interest;
 - Is fair, equitable and generally uniform in manner;
 - Provides equal opportunity to affect parties.
- B. No acquisition or disposals of land asset(s) shall be made to employees, elected officials, or their family members unless sold through external advertisement, formal request, auction or public sale and no conflict of interest exists. This does not apply to tax sale properties.
- C. Provides a consistent and predictable approach to how the RM will assess whether land should be acquired or disposed of.
- D. Provide framework of why land will be acquired or disposed of.
- E. Outline methods used to fund land to be acquired.
- F. Outline methods used for the disposal of land assets.
- G. Outline the responsibility of costs
- H. Outline where disposal proceeds are to be allocated.

DEFINITIONS

“Acquisition” means to obtain or receive land or property assets through a method such as purchase or gift deemed appropriate by the Municipality.

“Asset” is land or property owned or controlled by the Municipality.

“Disposal” is the sale, conveyance, exchange or grant of the Municipality’s land or property asset.

“Donation” means the gift of land or property given to the municipality, without compensation or consideration.

“Expropriation” means the Acquisition of land pursuant to the Expropriations Act of Manitoba

“Land or Property” means the land and any buildings and structures constructed thereon.

“Market Value” means the highest price a willing buyer would pay, and a willing seller would accept, both parties being fully informed.

“Surplus Land” means municipally owned Property that has been declared surplus to the Municipality’s requirements as approved by Council, in accordance with *The Municipal Act*.

SCOPE

This policy applies to the Acquisition and Disposal of land assets undertaken by the Municipality.

Exceptions:

This policy **does not apply** to the following types of **Acquisitions**:

- Land dedicated to the municipality either through development applications or cash in lieu/public reserve dedications.
- Property acquired by the municipality through vesting by reason of tax arrears pursuant to *The Municipal Act*.
- Land that has been gifted to the municipality, or gratuitously donated for a specific purpose.
- Expropriation

This policy **does not apply** to the following types of **Disposals**:

- Property in a tax sale position shall be disposed of as per the requirements of *The Municipal Act*.
- The re-conveyance of lands to the owner, or successor in title, who conveyed the land gratuitously to the municipality by virtue of the terms of a Development Agreement.
- Land that may be part of a larger development proposal or plan that identifies a larger economic benefit to the Municipality.

POLICY GUIDELINES

Land Acquisition Criteria

The land acquisition criteria below are a guide for decision making by the Council. Every land acquisition will be considered on its own merits, and no one of the criteria listed is necessarily of greater weight, nor is a land acquisition required to meet every one of the criteria.

A. Overall strategic fit of the acquisition may include:

- Acquisition is strategically important or identified or supported in a report or growth plan.
- Land to provide either additional capacity for growth or increase levels of service than provided by existing services.
- Acquisition required for municipal purposes or interests that may include roads, drainage, wastewater or potable water infrastructure, including public buildings.
- Reserves and open space for active or passive pursuits which provide for enhanced community use and enjoyment. Land assets vary from playgrounds, parks, shoreline or beaches and community halls.
- Land parcel that improves functionality, safety, access or connectivity to existing municipally owned or administered land.
- Demonstratable social or environmental benefits to the acquisition.
- Identified community's aspiration for the site for a planned use.
- Has cultural or historical significance.
- Protects ecological, geological or landscape values.

Land Disposal Criteria

Before disposing of land, the Council must resolve that the land is deemed surplus.

- A. Property deemed to be surplus by the Council for one or more of the following reasons:
- The land no longer contributes to the strategic goals of the municipality or any other growth plan, asset management plan, report or similar.
 - The land is no longer required for intended purpose.
 - The land is not required or suitable for any alternative municipal purposes.
 - The on-going costs of the property are not sustainable.
 - Disposal of the property provides a larger economic development opportunity.
 - Disposal of the property will be of financial benefit to the municipality.
 - There is an interested party for purchase of the property.
 - The financial benefits of disposing of the property outweigh the financial costs of holding the property.
- B. **Road Allowances and Public Reserves** - should only be sold in circumstances where a larger economic development benefit can be determined. Prior to the land formally being declared surplus, the proper closing procedures are followed as outlined in *The Municipal Act*. Following formal closure of the road allowance or public reserve the property can be classified as surplus and proceed through the land disposal process herein.

Disposal Process

Economic Development Department, in consultation with other departments, will identify potential properties or suitability of properties for disposal and:

- Ensure that the property is declared surplus.
- Obtain a letter of intent from an interested party to purchase a specific municipal land asset, if applicable.
- Initiate a professional evaluation or appraisal to estimate the property's Market Value, if required.

Property Value

All Disposals will be subject to an evaluation or appraisal except:

- Subject to the discretion of Administration, sales involving property that is:
 - 3.0 metres (10 foot) or less in width.
 - a closed public road allowances being sold to an abutting owner(s).
 - landlocked which is being sold to an abutting owner.
 - land that has an assessment value of less than \$10,000.

For the properties deemed exempt from an evaluation or appraisal, the value should be determined based on:

- the current assessment value or proportionate value based on the assessment.
- a recommendation by Administration or Council.

Methods of Disposal

The Administration will determine the appropriate means of Disposal of Surplus Property based upon criteria such as value, competition, property type and market conditions. The method of Disposal may include:

- 1) Competitive Bid Process – offered by public bid process in accordance with criteria established by Administration through an Expression of Interest.
- 2) A direct sale to a specific party, as approved by Council
- 3) Real estate multiple listing service – listed with a licensed real estate agent having the appropriate expertise.
- 4) Land Trades – in some cases a land trade would be considered if it is deemed to benefit the municipality through opportunities that may arise for the mutual beneficial exchange of land through boundary adjustments or an outright land swap.

PROCEDURES

Land Acquisitions:

- 1) A full report to the Council will be required as part of the Council considering land acquisition and should include:
 - a.) Identify the need for the land.
 - b.) Identify that land to be acquire can be utilized for its intended use.
 - c.) Any restrictions from zoning or designations on the site are appropriate for the planned use of the site.
 - d.) Strategic alignment.
 - e.) A current list price, or Market Evaluation or Appraisal value.
 - f.) Identify any potential additional costs.
 - g.) Identify any future life cycle costs associated for obtaining the land asset.
- 2) If the acquisition includes a structure, a building condition assessment may be required at the expense of the municipality.
- 3) If the acquisition has environmental concerns that may impact the value or use, an environmental assessment may be required at the expense of the municipality.
- 4) The Chief Administrative Officer has the power to negotiate and enter into contracts to acquire of property so long as the terms of sale are conditional upon ratification by the Council.

Land Disposal:

- 1) That the land has been declared surplus by Council resolution.
- 2) A full report to the Council will be required as part of the Council considering the land disposal and should include:
 - a) Recommended value of the land to be sold.
 - b) Reason for the disposal.

- c) Method of disposal.
 - d) Allocation of proceeds.
- 3) In the event of disposal of a closed public road allowance or landlocked parcel, each adjoining property owner may have the opportunity to purchase a proportionate part of the land, as determined by the Municipality, or
 - 4) The Municipality may determine that there is a larger economic benefit for a closed public road allowance or landlocked parcel to be sold to a single adjoining property owner and may choose not to subdivide the land into smaller parcels for disposal.
 - 5) The Chief Administrative Officer has the power to negotiate and enter into contracts to dispose of property so long as the term of sale are conditional upon ratification by the Council.

Land Acquisition Funds:

Funds required for the acquisition of land will be obtained through:

- A Land Acquisition Reserve
- The Capital Development Reserve
- A loan obtained from a financial institution upon approval of an associated borrowing by-law
- As otherwise directed by Council
- A combination of any of the above items

Land Disposal Proceeds:

Proceeds from the Disposal of Surplus Property will be credited to one of the following accounts:

- A Land Acquisition Reserve
- The Capital Development Reserve
- As otherwise directed by Council

Cost for Acquisition of Land

- Each party shall be responsible for their own costs incurred.

Cost of Disposal of Surplus Property

- Where a member of the public applies to the Council to purchase municipally owned or administered land, all costs incurred by the municipality associated with that land purchase shall be paid for by the applicant.
- Where the sale was initiated by the municipality, each party shall be responsible for their own costs incurred.