



TOWN POLICY

POLICY NUMBER: 6601

REFERENCE:

Council 034.01.97

ADOPTED BY:

Town Council
22 January 1997

PREPARED BY: Planning & Development

DATE: 17 February 1988

TITLE: Land Sale Policy

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Policy Statement

The Town of Strathmore will establish guidelines to facilitate decision making in areas of land acquisitions, transfers, disposals, recording and reporting.

1. **Definitions**

- 1.1 **Building Commitment** means the obligation of a purchaser of land from the Town to Commence Construction of a Permanent Structure within one year following the date on which the property is transferred by the Town to such purchaser and to thereafter diligently proceed with construction of the Permanent Structure and Complete Construction of the Permanent Structure within a reasonable period of time given the nature and design of the Permanent Structure (which in any event will not exceed two years).

- 1.2 Commence Construction means that stage of construction where footings and foundations have been poured and exterior and loadbearing interior walls have been constructed to the point where they are ready to receive the roof structure.
- 1.3 Complete or Completion of Construction means that stage when development of a property in accordance with plans and specifications approved by the Town, including, without limitation, construction of the Permanent Structure, landscaping, paving, lighting, signage, irrigation and utility service connections, has been substantially completed, as certified by the Town Manager or by a Development Officer of the Town.
- 1.4 Council means the Council of the Town of Strathmore, in the Province of Alberta.
- 1.5 Conveyancing means the act or business of drawing deeds, leases or other writings for transferring the title to property.
- 1.6 Government means Federal or Provincial Governments and their agencies or Crown Corporations.
- 1.7 Land refers to property or land parcels used for residential, commercial or industrial purposes. It includes all land, except reserve land, to which the Town holds title, and road right of ways, and any improvements thereon.
- 1.8 Market Value is the dollar value of land as determined by a fully accredited appraiser.
- 1.9 Permanent Structure means a permanent commercial or industrial structure of a minimum square footage approved by the Town Manager, with attached permanent footings and foundations constructed in accordance with plans and specifications approved by the Town. Structures of a

temporary or mobile nature such as trailers, mobile homes, quonsets, tents, and the like will not qualify as a Permanent Structure.

1.10 Sales List is the currently approved list of lands being offered for sale by the Town of Strathmore.

1.11 Special Demand refers to those land parcels that are highly desirable due to the location, size, shape and other characteristics of the parcel.

2. **Responsibilities**

2.1. Council

2.1.1. To set, at six month intervals or less, the sales list along with appropriate terms and conditions.

2.1.2. To receive, review and select from proposals received from the Town Manager.

2.1.3. To receive, accept, reject, or counter offers to purchase or lease land that are lower than the sales list criteria of this policy.

2.1.4. To determine where funds realized from the sale of lands will be allocated.

2.2. Town Manager

2.2.1. To submit to Council at six month intervals or less, a proposed sales list and proposed terms and conditions, with marketing information on each parcel reviewed.

- 2.2.2. To obtain proposals from prospective purchasers and to submit to Council with recommendations.
- 2.2.3. To co-ordinate the actions of Council and Staff, and to sign all documents relating to a land sale approved by Council.
- 2.2.4 To oversee and co-ordinate all land purchases or sales between to Town of Strathmore and government.
- 2.2.5. To provide recommendations to Council on any offers to purchase.
- 2.2.6. To approve offer to purchase that meet all sale list criteria within this policy.

2. **Sale of Land**

- 2.1. The Town Manager shall maintain an inventory of all current lands that may be considered for sale.
- 2.2 The Town Manager shall submit to Council, by the first Regular Council meeting in April and October of each year, or at other times that fluctuating market prices dictate, a proposed sales list.
- 2.3. A sales list shall include the following information:
 - 2.3.1. Inventory of lands;
 - 2.3.2. Marketing Information;

2.3.3. Recommendation on which properties should be offered for sale or lease;

2.3.4. Recommended sale or lease prices;

2.3.5. Recommended terms and conditions, including deposit requirements; and

2.3.6. Fair actual value consideration as prescribed by the Municipal Government Act.

2.4. Council shall, "In Camera", discuss, review, amend as necessary, and approve the sales list. The Town Manager shall be present during discussions to provide advice to Council.

3. **Offers to Purchase**

3.1. The Town Manager shall receive all offers to purchase land.

3.2. The Town Manager, having received a valid offer at list price, shall accept that offer. If the offer is below list price then the Town Manager shall present the offer at the next "Committee of the Whole" or "Administrative meeting of Council.

3.3. If the Town Manager feels that time is of the essence the Director of Administrative Services, in coordination with the Mayor, shall schedule or call a meeting of Council which would be able to receive, accept, reject or counter offers to purchase or lease.

- 3.4. Council shall by resolution accept or reject offers to purchase or lease that are lower than the list price in this policy.
- 3.5. The Town Manager shall process the offer to purchase, or a counter offer to sell, within the terms and conditions specified.

4. **Purchase of Land**

- 4.1. Council may, at its own instigation, or on the advice of the Town Manager, consider the purchase of the land.
- 4.2. The Town Manager shall provide market information to Council on the proposed purchase, and shall obtain an appraisal where necessary, in order to determine the fair actual value considerations as prescribed by the Municipal Government Act.
- 4.3. Where Council determines that it will make an offer to purchase, it shall be presented by the Town Manager.
- 4.4. Any counter offer made shall be treated in the same manner as an offer to purchase.
- 4.5. A standard offer to purchase form will be utilized except where Council deems an Agreement for Sale advisable.

5. **Deposits**

- 5.1. The Town Manager shall consider an offer valid if accompanied by a deposit of ten percent (10%) of the offered price, in the form of a certified cheque.

- 5.2 The Town Manager, on receiving a deposit, shall hold the deposit until such time as the offer to purchase has been accepted or rejected.
- 5.3 When the offer to purchase has been accepted the deposit cheque will be forwarded to the Town Solicitor who shall place all deposits received into an interest -bearing trust account, and shall only release such deposits and accrued interest on written notification from the Town Manager.
- 5.4 When an offer to purchase has been rejected the deposit cheque shall be returned to the purchaser by the Town Manager.

6. **Building Commitment**

- 6.1 Unless otherwise specifically authorized by Council, each offer to purchase Land must include a clause in a form acceptable to the Town Manager, in which the purchaser agrees to comply with a Building Commitment.
- 6.2 Each offer to purchase Land that contains a Building Commitment shall provide that in the event that the purchaser does not comply with the Building Commitment the Town shall be granted an irrevocable option to repurchase the land at for a purchase price equal to seventy-five percent (75%) of the price that the Town sold the land to such purchaser.
- 6.3 Subject to the bylaws of the Town, the Town Manager shall determine the minimum square footage of the Permanent Structure to be constructed pursuant to each Building Commitment. This minimum square footage shall, in each case, be set forth in the offer to purchase for each parcel of Land.

7. **Reporting to Council**

7.1 At each time that the Town Manager submits a proposed sales list to Council pursuant to clause 2.2.1. of this policy, the Town Manager shall provide a written report to Council setting out, for the period since the date of the last report to Council:

7.1.1 offers to purchase Land submitted to the Town, including a report as to which offers were accepted;

7.1.2 deposits received pursuant to accepted offers to purchase;

7.1.3 gross revenues received from sales of Land;

7.1.4 expenses incurred in relation to the sales of Land;

7.1.5 a statement of net proceeds received from Land sales;

7.1.6. a statement of goods and services tax (if applicable) collected on Land sales.

8. **Real Estate Commission**

8.1 If the Town Manager considers it expedient or necessary in order to sell any parcel of Land, the Town Manager may agree to pay fees to a Realtor at a rate to be negotiated by the Town Manager (but not in any event to exceed two percent (2%) of the purchase price of the Land, exclusive of goods and services tax).

9. **Finances**

9.1. Where funds are received from a sale of land, the proceeds from the sale shall be applied as follows:

9.1.1 Payment of professional fees;

9.1.2. Payment of all outstanding land sale expenses;

9.1.3. Payment of outstanding debt or payment into a sinking fund.

9.2. Remaining funds to be allocated to the Financial Stabilization Reserve.

10. End of Policy

SCHEDULE "A"**1. BUILDING COMMITMENT AND OPTION TO RE-PURCHASE**

- 1.1 The Purchaser acknowledges that it is a fundamental condition of the agreement of purchase and sale between the Town and the Purchaser with respect to the Lands to which this schedule is attached, (including, without limitation the determination of the price of the Lands) that the Purchaser commence and diligently carry through to completion, the development of the Lands for commercial or industrial purposes as permitted or approved pursuant to the Town 's Land Use Bylaw.
- 1.2 The Purchaser shall be obligated to Commence Construction of a permanent Structure within one year following the date on which the Lands are transferred by the Town to the Purchaser (being the date on which the title to the Lands issues in the name of the Purchaser) and to thereafter diligently proceed with construction of the Permanent Structure and Complete Construction of the Permanent Structure within a reasonable period of time given the nature and design of the Permanent Structure. In any event, Completion of Construction of the Permanent Structure shall occur on or before the date that is two (2) years following the date on which the Lands are transferred by the Town to the Purchaser.
- 1.3 In consideration of the Town entering into the agreement of purchase and sale to which this schedule is attached, the Purchaser hereby grants to the Town the exclusive and irrevocable option to purchase the Lands, (the Option) on the terms and conditions set forth herein:

The Option shall be exercisable in either of the two following cases:

- a) In the event that the Purchaser shall fail to Commence Construction of a Permanent Structure on the Lands within the one year period referenced in section 1.2 hereof. In such event, the Option shall be

open for exercise from and after the expiry date of the said one year period and for a period of thirty (30) days thereafter ; or

- b) In the event that the Purchaser does Commence Construction of the Permanent Structure on the Lands within the said one year period but thereafter fails to Complete the Permanent Structure within the two (2) year period referenced in section 1.2 hereof. In such event, the Option shall be open for exercise from and after the expiry of the said two (2) year period and for a period of thirty (30) days thereafter.

The Option shall be exercisable by the delivery of a written notice to the Purchaser setting out that the Option is exercised. On the Town exercising this Option, the Town and the Purchaser shall be deemed to have entered into a binding agreement of purchase and sale with respect to the Lands, for the consideration and on the terms and conditions hereinafter set forth.

2. TRANSFER OF LANDS ON EXERCISE OPTION

- 2.1 In the event that the Town exercises the Option, the Purchaser agrees, subject to the terms and conditions hereof, to sell and transfer the Lands to the Town and the Town agrees to purchase the Lands, as at 12:00 o'clock noon on the Closing Date (as hereinafter defined).

3. TITLE TO THE LANDS

- 3.1 The Lands shall be transferred to the Town on the Closing date free and clear of all reservations, exceptions, mortgages, tenancies, rights of occupation, restrictive covenants, liens and encumbrances, statutory or otherwise, except for those registered against the certificate of title to the Lands immediately prior to the transfer of the Lands by the Town to the Purchaser, together with any encumbrances registered by or on behalf of the Town (the "Permitted Encumbrances"). Permitted Encumbrances shall not include any encumbrances registered by or on behalf of the Purchaser.

- 3.2 All costs of discharging any mortgage or any other encumbrance that is not a Permitted Encumbrance shall be borne solely by the Purchaser. The Purchaser shall, pursuant to trust conditions acceptable to the solicitor representing the Town, be permitted to discharge any mortgage or other encumbrance that is not a Permitted Encumbrance from the proceeds of this sale of the Lands.
- 3.3 Notwithstanding any of the provisions herein, in the event that the Certificate of Title to the Lands discloses a mortgage or any other encumbrance to be discharged with all or any portion of the purchase price payable for the Lands it shall be permissible for the Town to tender the purchase price for the Lands or any part thereof, in the form of a certified cheque or solicitor's trust cheque payable to the holder of such encumbrance.

4. PURCHASE PRICE

- 4.1 The total purchase price payable by the Town for the purchase of the Lands (the "Purchase Price") shall be that amount equal to seventy-five percent (75%) of the price for which the Purchaser purchased the Lands from the Town (exclusive of any goods and services tax payable by the Purchaser) as set forth in the agreement of purchase and sale to which this schedule is attached.
- 4.2 The Purchase Price shall be paid in full by the Town on the Closing Date by way of a certified cheque or solicitors trust cheque.
- 4.3 Any goods and services tax that may be payable by the Town with respect to the purchase of the Lands hereunder shall be deemed to form part of the Purchase Price.
- 4.4 It is agreed that the town may tender the Purchase Price, or any portion thereof, by the delivery of certified cheques or solicitor's trust cheques, payable to the solicitors representing the Purchaser.

- 4.5 Except as otherwise provided herein, in the event that the Purchaser agrees to extend the time for payment of the Purchase Price, or any part thereof, beyond the Closing Date, interest shall be payable to the Purchaser at the rate equal to the Bank of Canada rate in effect on the Closing Date plus a further three percent (3.0%) per annum from the Closing Date to the date upon which such moneys are unconditionally releasable to the Purchaser.

5. CLOSING DATE AND ADJUSTMENTS

- 5.1 Subject to the terms hereof being complied with, title to and vacant possession of the Lands shall be provided to the Town on the date (herein referred to as the "Closing Date") which is thirty days following the date on which this Option is exercised by the Town. In the event such date is a Saturday, a Sunday or a statutory holiday, the Closing Date shall be the next day that is not a Saturday, a Sunday or a statutory holiday.
- 5.2 All taxes, rates, levies and property assessments affecting the Lands shall be adjusted as at 12:00 o'clock noon on the Closing Date. The Purchaser shall be responsible for all property taxes, rates, levies and assessments applicable for the entire period that the Purchaser was the owner of the Lands, including the portion of the property taxes, rates, levies and assessments for the taxation year calculated to the Closing Date.
- 5.3 The Purchaser shall deliver possession of the Lands to the Town on the Closing Date in the same condition as the Lands existed at the date that the lands were transferred to the Purchaser by the town pursuant to the agreement of purchase and sale to which this schedule is attached. On the Closing Date the Lands shall be free of all garbage and debris. In the event that any work is required to restore the Lands to such condition, the Town may estimate such costs and such costs shall be payable by the Purchaser on the Closing Date. The Town may offset and deduct the full amount of such costs or any portion thereof from the Purchase Price as at the Closing

Date. The Purchaser shall permit the Town to inspect the Lands on or about the Closing Date in any event prior to the release of the Purchase Price.

6. REPRESENTATIONS AND WARRANTIES

6.1 The Purchaser represents and warrants to the Town that:

- a) The Purchaser has not taken any action or suffered or permitted any action to be taken that would result in the Lands or any portion thereof being contaminated by any hazardous waste, substance or material. No part of the Lands has been used for the disposal of any waste material;

- b) The Purchaser is not now nor will be within sixty (60) days after the Closing Date a non-resident of Canada within the meaning of the Income Tax Act of Canada and the Purchaser is not the agent or the trustee for any one with an interest in the Lands who is or will be within sixty (60) days after the Closing Date a non-resident of Canada within the meaning of the Income Tax Act of Canada.

6.2 It is agreed that the representations and warranties contained in this Article 6 shall be deemed to be made both on the date of this agreement and also as at the Closing Date.

7. CLOSING ARRANGEMENTS - TRANSFER OF LANDS

7.1 On or before the Closing Date the following shall be prepared at the expense of the Purchaser, duly executed by the Purchaser, where applicable, and delivered to the solicitors for the Town:

- a) A registerable Transfer of Lands with respect to the Lands;
- b) The Duplicate Certificate of Title to the Lands unless the same is lodged at the Land Titles Office; and
- c) Discharges of any encumbrances registered against the title to the Lands that are not Permitted Encumbrances.

7.2 The deliveries required by Section 7.1 shall be made in sufficient time to permit registrations of title on or prior to the Closing Date. Such deliveries, however, shall be subject to such reasonable trust conditions as may be mutually agreed upon between the solicitors for the Purchaser and the Town. If such trust conditions cannot be agreed upon, the said solicitors shall arbitrate the question using a mutually acceptable solicitor as arbitrator (or failing the appointment of a mutually acceptable solicitor, such arbitrator as may be appointed by the Court of Queens Bench) with the costs of the arbitrator to be borne equally between the Purchaser, and the Town, regardless of the outcome. The provisions of the Arbitration Act of Alberta shall apply.

8. MISCELLANEOUS

8.1 The Purchaser and the Town agree that all the terms and conditions of this schedule, including the representations and warranties set out in article 6 shall not merge on the acceptance of documents, registration of documents, the issuance of title in the name of the Town, or the taking of possession of the Lands by the Town and shall be deemed to survive the closing of the purchase and sale of the Lands.

8.2 The following words and terms shall have the following meanings:

- a) Commence Construction means that stage of construction where footings and foundations have been poured and exterior and loadbearing interior walls have been constructed to the point where they are ready to receive the roof structure.

- b) Complete or Completion of Construction means that stage when development of a property in accordance with plans and specifications approved by the Town, including, without limitation, construction of the Permanent Structure, landscaping, paving, lighting, signage, irrigation and utility service connections, has been substantially completed, as certified by the Town Manager or by a Development Officer of the Town.

- c) Permanent Structure means a permanent commercial or industrial structure of a minimum square footage approved by the Town Manager, with attached permanent footings and foundations constructed in accordance with plans and specifications approved by the Town. Structures of a temporary or mobile nature such as trailers, mobile homes, quonsets, tents, and the like will not qualify as a Permanent Structure.

8.3 Any notice, direction or other instrument required or permitted to be given under the provisions of this Schedule shall be in writing and shall be given by delivery of same:

- a) if to the Purchaser at:

b) if the Town at:

680 Westchester Road
Strathmore, Alberta
T1P 1J1

Attention: Director of Administrative Services

Any notice, direction or other instrument aforesaid shall be deemed to have been given and received on the day on which it was delivered and if not a business day, then on the business day next following the day of delivery.

- 8.4 The Town shall be entitled to register its interest granted pursuant to this schedule by way of caveat against the title to the Lands.
- 8.5 The provisions hereof shall enure to the benefit of and be binding upon the town and the Purchaser and their respective executors, administrators, personal representatives,

successors and permitted assigns, and where singular is used throughout this schedule the same shall be construed as meaning the plural where the context so requires.

- 8.6 Time shall be of the essence hereof.
- 8.7 In the event that there is more than one party constituting the Purchaser all obligations of such party shall be joint as well as several.

SCHEDULE "B"**LAND SALES LIST - JANUARY 22, 1997**

<u>STREET ADDRESS</u>	<u>LEGAL DESCRIPTION</u>	<u>TOTAL ACREAGE</u>
11 Spruce Park Drive	Plan 9610418, Block 3, Pt. Lot 18	1.94 Acres
47 Slater Road	Plan 9601418, Block 3, Lot 15	2.49 Acres
48 Slater Road	Plan 9601418, Block 5, Lot 2	2.35 Acres
49 Slater Road	Plan 9610418, Block 3, Lot 14	3.01 Acres
50 Slater Road	Plan 9601418, Block 5, Lot 1	2.37 Acres

**** See Attached Map**