

HOW TO PURCHASE MULTI-FAMILY, COMMERCIAL AND INDUSTRIAL LANDS

The City of Medicine Hat has a large portfolio of well located land for sale. Ranging from larger multi-family sites to commercial sites to large industrial sites that provide an excellent opportunity for the developer or user. Industrial land is located in Brier Industrial Estates. Commercial land is located throughout the city and the larger multi-family properties are located in our residential subdivisions.

There is information packages available on every property (industrial, commercial and larger multi-family) listed on the open market. All properties listed on the open market are for sale, but we may also consider short term and long term leases, and an option to purchase. All sales are on a first come basis. All offers are subject to City Council approval. Any business or individual wishing to purchase municipal land on the open market should apply in writing to:

Robin Levesque, Manager
Land & Properties Department
Third Floor, City Hall
580 First Street SE
Medicine Hat, Alberta
T1A 8E6

Applications should contain the following information or fill out the Purchaser's Application:

- legal description of the property (lot, block, plan)
- proposed purchase price
- a description of the use and type of improvement proposed
- acknowledgement that the proposed development will conform to The City of Medicine Hat Land Use Bylaw
- acknowledgement that the proposed development will conform to the Land & Properties Development Guidelines, if applicable.

All submissions must be accompanied by a cheque representing ten (10%) of the total purchase price. The cheque will not be deposited until an agreement is signed.

LAND SALES APPROVAL PROCESS

Most sales of City land can be processed within a short period of time. Sales of land are subject to approval in the following ways:

1. Sales up to \$500,000 under the standard terms and conditions are in most cases approved administratively.

The normal process that we follow when we receive an offer to purchase for sales up to \$500,000 includes the following steps and timelines (in brackets):

A prospective buyer interested in purchasing property from the City will provide the City with information to determine if the City will negotiate a formal Real Estate Purchase Contract. This information should be provided by a prospective buyer by filling out and sending the Purchaser's Application or a written offer to Land & Properties.

- The Buyer sends us a Purchaser's Application or a written offer with a deposit (the deposit cheque is not deposited until an agreement is signed and approved).
 - If the proposal is acceptable to the Land & Properties Department, we prepare and submit a brief report (outline of report attached) to the Chief Administrative Officer or Commissioner of Corporate Services recommending that the City can enter into negotiations.
 - If the City wishes to negotiate with the Purchaser, the Purchaser and the City will negotiate acceptable terms and conditions of the sale based upon the City's standard terms and conditions.
 - We prepare the formal Real Estate Purchase Contract and send it to the Purchaser.
 - The Purchaser signs the agreement and returns it.
 - Once, the sale is approved, the formal agreements are approved administratively and executed by the City (Mayor and City Clerk), the deposit cheque is deposited and the transaction proceeds.
 - All sales completed for these properties will be reported to Council on a quarterly basis and will clearly outline any price reductions from the approved list price.
2. Sales over \$500,000 or sales under \$500,000 which in the opinion of the CAO or Commissioner of Corporate Services are approved by City Council.

The normal process that we follow when we receive an offer to purchase for sales over \$500,000 or sales which in the opinion of the CAO or Commissioner of Corporate Services should be approved includes the following steps:

- The Buyer sends us a Purchaser's Application or a written offer with a deposit (the deposit cheque is not deposited until an agreement is signed and approved by City Council in an open meeting).
- We acknowledge receipt and begin our evaluation. This may entail circulating the offer through the various City departments.
- The offer will be dealt with through Corporate Services Committee and City Council at their regularly scheduled meetings.
- Following direction from Council, the Buyer and City negotiate acceptable terms and conditions of the sale closing.
- We prepare a formal sales agreement based upon the City's standard terms and conditions

- and send it to the Buyer.
- The Buyer signs the agreement and returns it.
 - The agreement is forwarded to City Council for approval at a public meeting. If approved, the formal agreements are executed by the City, the deposit cheque is deposited and the transaction proceeds.
3. If the property is City-owned, but is not formally listed on the open market or through a realtor, an interested person can approach the Land & Properties Department to inquire if the land is for sale and what is the asking price (this should be accompanied by a letter of interest; however, not a formal offer). The Land & Properties Department will evaluate the request and advise whether the property is for sale and then determine a suggested price. The process set out in Section 2 above is then applied if the property is available for sale.

PRICING

As legislated through the Municipal Government Act, all sales must reflect the market value of the property at the time of the sale. Market value is determined in-house or by private accredited appraisers. Prices are subject to change, to reflect current market conditions, so be sure to check with us prior to sending in any offers.

REAL ESTATE AGENTS

City-owned real property may be listed with a Qualified Member who will market the property through the Medicine Hat Real Estate Board's Multiple Listing Service. The City generally offers a selling fee of 5% on the first \$100,000.00, 3% for \$100,000.00 to \$500,000.00 and 1% for that portion over \$500,000.00. Full cooperation is offered to all agents whether they are Medicine Hat Real Estate Board members or not.

All requests for commission are to accompany the offer to purchase if the property is not formally listed with a real estate agent, and is subject to City approval through Corporate Services Committee and City Council.

STANDARD TERMS AND CONDITIONS OF SALE

The Land & Properties Department is responsible to obtain an agreement on terms which are consistent and within the authority granted to us by City Council. The following provides the standard conditions of sale that are contained in a City agreement.

Purchase Price

Sale price will reflect market value. Prices are negotiable.

Deposit

MINIMUM 10% of the Purchase Price or \$50,000.00, or whichever is less, required to be paid at the time of offer and must be accompanied with the application to purchase. \$1,000.00 of the Deposit shall immediately become non-refundable upon approval by the Municipal Council of the City of Medicine Hat.

Balance

The balance of the Purchase Price is due on the Closing Date.

Possession

Purchase price must be received in full before possession will be granted.

Buy Back Option

The purchaser will be required to commence construction within 12 months of the closing date, failing which the City will have an option to buy back the property for 90% of the original price.

Closing Date & Transfer

The closing date must be within 3 months of Council approval. When all terms and conditions of the Agreement for Sale have been satisfied, and upon payment in full of the balance of the Purchase Price, together with accrued interest, the City shall provide the Purchaser with a Transfer of the City land.

Extension Fee

In the event that the sale does not close within three months of Council approval, the Purchaser may request up to three one month extensions, which may be granted at the absolute discretion of the City at a cost of 0.5% of the Purchase Price per month.

Interest

Interest at 10% per annum commencing by 12:00 noon on the Closing Date.

Goods and Services Tax

GST is the responsibility of the purchaser. Payment of GST is required when the balance is paid unless a GST registration number is provided.

Tax Adjustment

The tax adjustment date will be the possession date.

Information on taxes or assessment on land and proposed development can be obtained from the Taxation and Assessment Department on 1st floor City Hall or at (403) 529-8114. Their fax number is (403) 526-1239.

Conditions Precedent

The sale of the City land may be subject to the satisfaction or waiver of the following conditions:

1. approval of the Municipal Council of the City of Medicine Hat
2. Subdivision approval or consolidation
3. Road closure

4. Development permit
5. Payment of all off-site levies
6. Easement registration
7. Soil and environmental tests
8. Financing

Note: Possession will not be granted until all conditions precedent have been met or waived.

Please note: The purchaser completing any geotechnical and environmental assessments, testing or analysis in relation to the property is a standard condition that the City of Medicine of Hat is inserting in all our agreements. If you do not intend to complete testing, you may waive the condition.

Permission to Enter the City Lands

The City may permit the Purchaser access to the land for the purposes of inspection/surveys, environmental studies, engineering studies, soil studies, and/or for permitted signage.

"As is, Where is"

The City land is being sold on an "as is, where is" basis and the City of Medicine Hat makes no representation and gives no warranty whatsoever as to the size, configuration, adequacy of services, soil or building conditions, land use classification, absence or presence of environmental contamination or developability of the City land for any intended use by the Purchaser.

Commencement of Construction

Construction shall have commenced prior to twelve o'clock noon twelve (12) months from the closing date. Commencement of construction shall mean that all foundations required for the approved building(s) be completed and installed upon the said lands, as per the plans submitted to the City's Planning & Engineering Services Department. If construction has not been commenced, the City may invoke the buy-back option. If commencement of construction occurs prior to the twelve months, please contact the Land & Properties Department to remove the buy-back caveat from the title.

Form and Substance

All agreements are subject to the satisfaction of the City Solicitor Department.

DEVELOPMENT REQUIREMENTS AND OFF-SITE LEVIES

In most cases, there are no special development requirements, other than adherence to the Land Use Bylaw and applicable building codes. Any proposed development and/or subdivision is subject to the approval of the Medicine Hat Development Authority.

However, there may be instances, when the City will require that the land be developed within a specific period of time and/or with design controls or architectural guidelines. These conditions will be outlined in the property information package. The purchaser may also be responsible for sidewalk installation and lane paving. Purchasers are responsible for landscaping and maintaining the boulevards, similar to the landscaping on their site.

All approvals and permits are the responsibility of the purchaser. Off-site levies are payable by

the Purchaser as per Bylaw #3054 as amended or replaced and are payable by the purchaser at the development permit stage. As part of the development permit application, the purchaser of the site is required to provide a site grading, site drainage and site storm water management plan in relation to the Property satisfactory to the City of Medicine Hat's General Manager of Municipal Engineering. Information on the steps necessary to obtain permits, adherence to the Land Use Bylaw, applicable building codes, access and off-site levies can be obtained from Planning, Building and Development Department on 2nd floor City Hall or at (403) 529-8374.

SERVICING COSTS AND HOOK UP CHARGES

Sanitary sewer, water, gas and electric are available from the nearest point of service. The purchaser is responsible for all service extension/hook-up costs and charges. Point of service will provide power at 13,800 volts phase to phase for three-phase supply and 8000 volts phase to ground for single phase supply. Cost of land purchase does not include Electric Department transformer capacity charge. This charge is part of the electric servicing costs for the lot and will be detailed when service size in amps and service voltage have been confirmed by the Electric Department. Storm water is the responsibility of the purchaser. Purchasers are responsible to verify the location of existing utility mains and discuss specific requirements and servicing standards expected (in relation to the proposed development) with each Utility Department. (Examples of appropriate questions include, but are not limited to; is the proposed development serviceable, for example, is there capacity in the existing system, are there off-site considerations, what are the associated costs, etc.). Off-site levies do not necessarily cover upgrading of infrastructure to support service requirements. For further information, please contact:

Gas Department (gas service)	(403) 502-8707
Electric Department (electrical service)	(403) 529-8270
Environmental Utilities (water and sewer)	(403) 529-8171
Municipal Works (road)	(403) 529-8177
Municipal Engineering (storm water)	(403) 502-8742
Telus (telephone)	(403) 310-4248
Monarch Cable TV (cable TV)	(403) 527-5586

ENVIRONMENTAL ASSESSMENT

Environmental assessment is the responsibility of the purchaser, subject to such conditions as the City of Medicine Hat deems relevant or necessary. The purchaser shall provide copies of any environmental assessments relating to the City of Medicine Hat. If the City has conducted an environmental study on a particular property, it will be indicated in the property information package. The environmental report is available once an offer has been received.

OPTION TO PURCHASE AGREEMENT

If an Option to Purchase is requested, generally, the City requires as consideration for the option, 1% of purchase price per month as an option fee. 50% of the option fee will be credited to purchase price on a yearly basis.

WHERE TO START

If you are interested in buying City-owned lands, call the Land & Properties Department at (403) 529-8148 or visit our website at www.medicinehat.ca.

To ensure that your interests on any specific property are protected, we recommend that you do so by sending us a written offer to purchase, letter of interest or filling out the Purchaser's Application. Be sure to specify the price offered, the date you want to pay for the land and take possession, and as much information about the development as possible.

Conversion from Metric to Imperial

Most plans show metric dimensions and areas.

To convert: metres to feet, multiply by 3.28
 square metres to square feet, multiply by 10.76
 hectares to acres, multiply by 2.47

Disclaimers:

The information contained in this document is believed to be true; however, the City does not warrant the accuracy of this information, which is subject to change without notice. This document does not constitute an offer or contract and the price, terms and conditions of any sale are subject to the approval of the City of Medicine Hat in accordance with the Municipal Government Act, and an agreement satisfactory to the City Solicitor Department.