



Title: ACQUISITION AND SALES POLICY		Number: 0151
Reference: Admin Committee – July 16, 2014	Adopted by City Council: August 5, 2014	Supersedes: Policy 0111 Policy 0136
Prepared by: LAND & PROPERTIES DEPARTMENT		

STATEMENT:

THE CITY OF MEDICINE HAT SHALL CLEARLY SET OUT PARAMETERS IN WHICH THE CITY MAY ACQUIRE AND SELL REAL ESTATE. ALL ACQUISITIONS AND SALES OF REAL ESTATE MUST BE APPROVED BY CITY COUNCIL EXCEPT WHERE OTHERWISE STATED IN THIS POLICY.

PRINCIPLES:

1. The City may acquire real estate for the purposes of providing services, facilities, or other requirements that are necessary or desirable for the community, to develop and maintain safe and viable communities, to benefit the public generally, or to enhance the operation of the City.
2. The City shall sell real estate at market value, unless otherwise directed by Council.
3. The City shall encourage energy conservation, renewable energy, construction waste recycling and water conservation.

ROLE OF COUNCIL

Receive, review and adopt this policy and any recommended amendments thereto.

Approve all Real Estate sales transactions with a Purchase Price over the CAO or COO's signing authority as per Signing Authority Policy 0126, any Real Estate sales transactions with a Purchase Price equal to the CAO or COO's signing authority or less that in the opinion of either the CAO or COO, as applicable, ought to be approved by Council or any transaction with a Purchase Price that deviates by more than 10% from the List Price.

Approve all reserve bids for all City-owned Real Estate offered for sale by auction.

Real Estate Acquisitions:

Approve Real Estate acquisitions by the City except where stated in this Policy.

Residential Lot Sales:

Approve purchase prices and sales strategies for Residential Lots.

ICI Real Estate Sales:

Approve List Prices and sales strategies for all ICI Real Estate.

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ROLE OF CAO – MUNICIPAL SERVICES AND COO – ENERGY SERVICES

Residential Lot Sales:

The CAO must provide City Council with an annual report that outlines all transactions that were the subject of an exception to the Procedures and what the exception was.

Real Estate Acquisitions:

The CAO or COO can approve Real Estate acquisition transactions within their respective divisions that meet the following conditions:

- (1) The target Real Estate is required for a specific municipal project and the purchase price for the target Real Estate has been accounted for in a budget adopted by Council; or
- (2) The Purchase Price is equal to the CAO or COO's signing authority as per Signing Authority Policy 0126 or less and represents the Market Value.

ICI Real Estate Sales:

The CAO or COO may approve ICI Real Estate sales transactions, within their respective divisions, where the Purchase Price of the subject ICI Real Estate is equal to the CAO or COO's signing authority as per Signing Authority Policy 0126 or less and represents Market Value.

The CAO and COO must refer any ICI Real Estate sales transactions with a Purchase Price equal to the CAO or COO's signing authority as per Signing Authority Policy 0126 or less, that in the opinion of the CAO or COO, as applicable, ought to be approved by Council.

The CAO and COO may negotiate sale prices that are within 10% of the List Price.

General:

The CAO or COO, as applicable, may approve exceptions to the Procedures, on a case by case basis.

The CAO or COO, as applicable, may delegate any of their powers, duties or functions in this Policy or the Procedures to one or more City employees.

The CAO or COO must provide Council an annual report that outlines all sales transactions that were approved by a person other than Council in the preceding year.

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1. DEFINITIONS

- 1.01 24 Hour Hold means attendance by a prospective Purchaser at the Land & Properties Department during the City's normal business hours and signing a document requesting that a Residential Lot be placed on hold (and not sold to other prospective Purchasers) for a time period of not more than 24 hours from the execution of the document in accordance with Appendix B, section 1.02. Upon expiry of the 24-hour period, the City may sell the Residential Lot to any other prospective Purchaser.
- 1.02 Auction means a publicly held sale where Residential Lots or Real Estate are sold to the highest bidder(s), subject to a reserve bid set by Council.
- 1.03 Balance of Purchase Price means the balance of the purchase price for a Residential Lot (less the amount of the deposit), plus GST, if applicable.
- 1.04 CAO means the Chief Administrative Officer, Municipal Services
- 1.05 COO means the Chief Operating Officer, Energy Services
- 1.06 City means the Municipal Corporation of the City of Medicine Hat or the area contained within the municipal boundaries of the City of Medicine Hat as the context requires.
- 1.07 Commence Construction
- (a) With respect to Appendix B, Residential Lot Sales, means that all basement walls and the entire subfloor must be completed and that all outside basement excavation backfilled and in place for a residential building constructed on a Residential Lot in accordance with the plans submitted to the City's Planning, Building & Development Services Department.
- (b) With respect to Appendix C, ICI Real Estate Sales, means that the Purchaser has completed installation of all foundations required for the approved building(s) upon the subject Real Estate.
- 1.08 Complete Construction means construction of a residential building on a Residential Lot is complete and the building is ready for occupancy, as determined by the City's Safety Codes Officer.
- 1.09 Construction Completion Certificate is a certificate issued by the City after it has inspected and accepted the completeness of the infrastructure in the subdivision.
- 1.10 Contractor means a person who has been issued a business license to operate as a "General Contractor" within the City.
- 1.11 Council means the municipal council for the City.

This policy is subject to any specific provision of *The Municipal Government Act* or other relevant Legislation or Union Agreement.

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- 1.12 Deposit
(a) With respect to Appendix B, Residential Lot Sales, means that a non-refundable deposit in the amount of ten percent (10%) of the established purchase price (excluding GST) for a Residential Lot.
(b) With respect to Appendix C, ICI Real Estate Sales, means that an amount equivalent to 10% of the total Purchase Price (inclusive of any costs that the Purchaser must pay under the Real Estate Purchase Contract).
- 1.13 Encumbrance means any encumbrance required to be registered by the City against Real Estate to protect municipally owned utility services, restrict the development of a Residential Lot and Real Estate or notify prospective Purchasers and landowners in the vicinity regarding unique features of a Residential Lot. Encumbrances include, but are not limited to easements, utility rights-of-way and restrictive covenants.
- 1.14 Expression of Interest (EOI) means a non-binding competitive public offering.
- 1.15 First-Come First-Served Basis means that prospective Purchasers will be dealt with in the order they arrive to purchase a Residential Lot at the Land & Properties Department during the City's normal business hours.
- 1.16 GST means any Goods and Services Tax payable pursuant to the Excise Tax Act (Canada) that may be payable on the purchase price for a Residential Lot and Real Estate.
- 1.17 ICI Real Estate means industrial, commercial and investment Real Estate and all Real Estate that is excluded from the definition of Residential Lot under section 1.35.
- 1.18 Inventory or Land Bank means land being held by the Land & Properties Department for future purposes and includes, without limitation such as re-sale, future residential, commercial and industrial development.
- 1.19 Residential Land Sales Agreement means an agreement for the purchase and sale of a Residential Lot as prepared by the Land & Properties Department in a form that has been approved by the City Solicitor's Department.
- 1.20 Land Sales Lottery means an advertised sale of Residential Lots by lottery draw prior to any remaining Residential Lots being placed on the open market.
- 1.21 List Price means the asking price approved by Council for Real Estate.
- 1.22 Lot Returns means a Purchaser fails to pay the balance of the purchase price for a Residential Lot within 60 days of the date of the Land Sales Agreement, resulting in the termination of the Land Sale Agreement and forfeiture of the deposit to the City, or, alternatively, the return of a Residential Lot with a concurrent purchase of another Residential Lot in accordance with Appendix B, section 1.09.

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- 1.23 Manager means the Manager of Land & Properties for the City or designate.
- 1.24 Market Value shall have the same meaning ascribed to that term in the *Municipal Government Act* (Alberta), as amended or replaced from time to time.
- 1.25 Municipal Use
For the purposes of this Policy and Procedures, Municipal Use means specific municipal needs or projects and may include, without limitation, parking, road widening, partial taking, properties with servicing issues, parkland, utility rights-of-ways, public utility lots, and parcels that expose or may expose the City to liability, and includes providing accommodation for one or more City departments.
- 1.26 Plan Booklet means the booklet retained by the City (for viewing and inspection by any party interested in purchasing a Residential Lot) depicting available information pertaining to City lots in specific City subdivisions.
- 1.27 Planning, Building & Development Services means the department responsible for the administration of the City's Land Use Bylaw, development permits, building permits and the Safety Codes Act and Regulations.
- 1.28 Purchase Price means the final price at which Real Estate is purchased.
- 1.29 Purchaser means the corporation or individual who executes a Land Sales Agreement or Real Estate Purchase Contract to purchase Real Estate from the City.
- 1.30 Purchaser's Application means an application that a person fills out if that person is interested in purchasing Real Estate from the City. This Application is non-binding, is not an offer or a contract, and does not constitute or convey an interest in Real Estate.
- 1.31 Request for Proposal (RFP) means an advertised request for prospective Purchasers to submit written proposals for the purchase and development of a Residential Lot or Real Estate.
- 1.32 Real Estate means all real property.
- 1.33 Real Estate Commission means the service fee payable to the real estate brokerage(s), if any, that lists or sells Real Estate or both, upon completion of the sales transaction.

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- 1.34 Real Estate Purchase Contract means an agreement for the purchase or sale of Real Estate (excluding Residential Lots) in a form satisfactory to the City Solicitor's Department and either the CAO or COO, as applicable.
- 1.35 Residential Lot means all R-LD and R-MD bare land residential lots (up to a four dwelling unit development) owned by the City. For clarity, developments consisting of five or more dwelling units are excluded from the definition of Residential Lot.
- 1.36 Senior Managers means the CAO, COO, Commissioners and General Managers or any combination of them.
- 1.37 Surplus Municipal Land means any Real Estate that is not required for Municipal Use and may include, without limitation, road lands and parkland.
- 1.38 Tender means an offer or bid made to the City, in response to an offer to purchase Residential Lots or Real Estate.
- 1.39 Transfer of Title means the preparation of a Transfer of Land for the purposes of transferring title and ownership of a Residential Lot from the City to the Purchaser.
- 1.40 Transfer Request means the stage at which the Purchaser has paid for the purchase of a Residential Lot in full and wishes to make financing arrangements for the development of the Residential Lot with a financial institution, and requests in writing that title to the Residential Lot be transferred to the Purchaser to allow the Purchase to register a mortgage against the title.
- 1.41 TCC means the City of Medicine Hat's Technical Coordinating Committee.

2. RESPONSIBILITIES

- 2.01 Administrative Committee
- (a) Make recommendations to Council regarding any amendments to this Policy.
 - (b) Adopt procedures to implement this Policy.
- 2.02 City Solicitor
- (a) Assist in the preparation of Real Estate Purchase Agreements and Land Sales Agreements referred to the City Solicitor Department for that purpose, in a form satisfactory to the City Solicitor and either the CAO or COO, as applicable.
- 2.03 City Departments
- Real Estate Acquisitions:
- (a) In respect of Real Estate that would be acquired to provide accommodation to one or more City Departments:

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- (1) The GM of Corporate Asset Management, in consultation with the applicable City Department, shall evaluate whether the subject Real Estate is both required for such purpose and consistent with the City's prevailing long-term facility plan.
- (b) In respect of Real Estate that would be acquired for a Municipal Use other than to provide accommodation to one or more City Departments:
 - (1) The applicable City Department, in consultation with the Land & Properties Department, shall evaluate whether the subject Real Estate is required for such a purpose.
- (c) If Real Estate is required for Municipal Use, then the applicable City Department shall request that the Land & Properties Department initiate the acquisition process in accordance with Appendix A, Real Estate Acquisitions.

ICI Real Estate Sales:

- (a) Determine when Real Estate is Surplus Municipal Land.
- (b) Contact Land & Properties Department to dispose of Surplus Municipal Land.

2.04 Manager of Land & Properties

Annual Reporting:

- (a) Prepare annual reports in accordance with Land & Properties approved Business Model and as specified throughout this Policy.

Real Estate Acquisitions:

- (a) Make recommendations through Administrative Committee and the Corporate Services Committee to City Council to acquire or not acquire Real Estate.
- (b) May negotiate Real Estate acquisition transactions that meets the following condition:
 - (1) The target Real Estate is required for a Municipal Use and the purchase price for the subject transaction has been accounted for in a budget approved by City Council.
- (c) Assess whether a particular acquisition satisfies at least one of the following purposes:
 - (1) Residential Development
 - Land to be used for future residential purposes.
 - (2) Industrial and Commercial Development
 - Land to be used for future industrial and commercial purposes.
 - (3) Redevelopment and Land Banking
 - Purchase of parcels for strategic purposes (for example, downtown properties for key initiatives or land that accomplishes objectives of an Area Redevelopment Plan).
 - Purchase or exchange of Real Estate that is a benefit to the City.
 - Purchase Real Estate to assemble large parcels (for example, banking large industrial lots).
 - (4) Municipal Use
 - Mitigation of environmental concerns, including without limitation, unstable soil conditions.
 - Uses that satisfy Municipal Use.

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Residential Lot Sales:

- (a) Determine how a returned Residential Lot should be sold.
- (b) Grant further extensions to the deadline to Commence Construction for a Residential Lot subject to the payment of extension fees by the Purchaser as set out in Appendix B, section 1.06.
- (c) Complete the purchase and sale of a Residential Lot in accordance with the terms and conditions of the Procedures.

ICI Real Estate Sales:

- (a) Make recommendations through Administrative Committee and the Corporate Services Committee to Council for List Prices and sales strategies for all ICI Real Estate that the City may wish to sell.
- (b) Market all ICI Real Estate that is or will be listed for sale.
- (c) Negotiate and administer the sale of ICI Real Estate within the standard terms and conditions outlined in the Procedures, after the List Price has been set.
- (d) Refer any ICI Real Estate negotiations regarding terms that deviate from prevailing commercially reasonable terms or a change to the List Price, to the CAO or COO or Council, as applicable, for consideration.
- (e) If Council approves the sales strategy to list ICI Real Estate for sale through a real estate brokerage, approve listing agreements with members of the Medicine Hat Real Estate Board (who that board deems qualified to accept the listing).
- (f) Approve requests for Real Estate Commission.
- (g) Approve the following aspects of ICI Real Estate sales transactions:
 - (1) Approve any extensions to deadlines of conditions precedents and closing date.
 - (2) Approve extensions to the commencement of construction deadline.
 - (3) Approve assignments of the Real Estate Purchase Contract to another party.

2.05 Purchaser

- (a) Is responsible to review and investigate all encumbrances, elevations, utility locations, land use classification (existing or proposed adjacent development), and be familiar with any conditions shown on the "Plan Booklet" and/or any other information provided by the City to the Purchaser.
- (b) Grant any encumbrances required by the City.
- (c) Consult with appropriate government departments or agencies in order to determine the feasibility of the Purchaser's proposed development.
- (d) Review and investigate the land use classifications and existing and proposed developments in the vicinity.
- (e) Complete the purchase and sale of a Residential Lot in accordance with the Land Sales Agreement or the purchase and sale of all other Real Estate in accordance with the Real Estate Purchase Contract.

2.06 Senior Managers

- (a) Ensure that all City staff within their respective departments are aware of this Policy and Procedures.

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3. PROCEDURES

3.01 General Procedures

- (a) The Land & Properties Department shall act as agent and/or coordinate the acquisition and sales process for all Real Estate the City acquires and sells.
- (b) All submissions to the City inquiring whether the City is willing to purchase Real Estate and all inquiries for the City to sell Real Estate must be referred to the Land & Properties Department for conduct in accordance with this Policy and Procedures attached as Appendices A, B and C.
- (c) All City departments must engage the services or consult with the Land & Properties Department to acquire or sell Real Estate.

3.02 Exemption

- (a) This Acquisition and Sales Policy and Procedures apply to all acquisitions of the fee simple estate in Real Estate and the sale of Real Estate by the City with the exception of Real Estate that is acquired for use or sold by or on behalf of the Gas Utility for the purpose of exploration, development production and distribution of natural gas and petroleum resources.

4. APPENDICES

The following appendices form part of the Procedures to Policy 0151.

Appendix A – Real Estate Acquisitions
Appendix B – Residential Lot Sales
Appendix C - ICI Real Estate Sales

APPENDIX A – REAL ESTATE ACQUISITIONS

1.01 Acquisition Process Initiation

- (a) The Land & Properties Department may initiate the acquisition process if:
- (1) Land & Properties has identified Real Estate that satisfies any Municipal Use;
 - (2) Corporate Asset Management has identified Real Estate that is both consistent with the City's then prevailing long-term facility plan and satisfies a Municipal Use;
 - (3) An individual(s) or corporation inquires in writing whether the City will consider acquiring Real Estate from that individual or corporation; or
 - (4) Another City department has received all required internal approvals to acquire Real Estate for a specific Municipal Use and that department instructs Land & Properties Department to acquire Real Estate for that project.

1.02 Acquisition Process

The Land & Properties Department shall follow the below process in sequential order after it has been determined, in accordance with the Procedures, that the subject Real Estate is required for a Municipal Use or for other purposes or as identified above:

Pre-Offer Stage:

- (a) Complete TCC Circulation.
- (b) Inspect the subject Real Estate.
- (c) Complete an appraisal.
- (d) If the Land & Properties Department's recommendation is that the City ought to purchase the subject Real Estate, then Land & Properties Department shall issue a Decision Item through Administrative Committee and the Corporate Services Committee to City Council.

Note: This step is not required if the applicable City department has already obtained the necessary budget approval from Council to acquire the subject Real Estate. Instead, the Land & Properties Department shall negotiate an offer to purchase with the seller of the subject Real Estate within the purchase price range and on the terms and conditions, if any, approved by the CAO or COO, as applicable.

- (e) Upon authorization in accordance with the Principles, then the person authorized by Council shall negotiate an offer to purchase with the seller of the subject Real Estate within the purchase price range and on the terms and conditions, if any, approved by Council.

- (f) If the Land & Properties Department's recommendation is that the City ought not to purchase the subject Real Estate, then the Land & Properties Department may issue either a Decision Item or Information Item through Administrative Committee and the Corporate Services Committee to City Council recommending that the City not purchase the subject Real Estate.

Post-Offer Stage:

- (g) City Solicitor will prepare the Real Estate Purchase Contract.
- (h) Approval of the Real Estate Purchase Contract in accordance with the Policy.
- (i) Condition(s) precedent declared satisfied, waived or not satisfied.
- (j) Close transaction and transfer title to the subject Real Estate to the City.
- (k) Transfer responsibility of the subject Real Estate to the applicable City department. That City department is responsible for all costs incurred by the City to acquire the subject Real Estate.

1.03 Completion of Municipal Project

- (a) The Land & Properties Department may retain any portion of Real Estate acquired by the City for Municipal Use that is deemed surplus by the City department on whose behalf the Real Estate was acquired. The Land & Properties Department must acquire that surplus Real Estate at Market Value from the applicable City department. The Land & Properties Department may utilize that surplus Real Estate for any Municipal Use or sell it in accordance with the applicable sales procedure.

APPENDIX B – RESIDENTIAL LOT SALES

1.01 Time and Method of City Offering Residential Lots for Sale

- (a) Once a subdivision plan is registered, the last Construction Completion Certificate is received, and Council has approved the List Prices, Residential Lots may be advertised and sold by:
 - (1) Land Sales Lottery;
 - (2) Over the Counter;
 - (3) Request for Proposal (RFP);
 - (4) Tender;
 - (5) Auction;
 - (6) Expressions of Interest (EOI); or
 - (7) As otherwise determined by City Council.
- (b) Council may, at its discretion, make special sales of Residential Lots for unsolicited specific development proposals received by the City.

1.02 24 Hour Holds On Residential Lots

- (a) If a Residential Lot remains unsold after a Land Sales Lottery, a prospective Purchaser may, only once per Residential Lot, by attending at the Land & Properties Department and signing the applicable document, place a Residential Lot on hold for 24 hours. This only means that the City will not sell that Residential Lot to another prospective Purchaser during the 24 hour hold period.
- (b) Within 24 hours of placing a Residential Lot on 24 hour hold, the Purchaser must execute a Land Sales Agreement and pay the deposit to the City, failing which the City will be entitled to market and sell the Residential Lot to any other prospective Purchaser.

1.03 Execution of a Land Sales Agreement and Payment of a Deposit

- (a) An eligible prospective Purchaser that desires to purchase a Residential Lot shall execute a Land Sales Agreement and pay the deposit.
- (b) Subject to Appendix B, subsection 1.03 (c), the Residential Lot must be paid in full within 60 days of the date of the Land Sales Agreement. Upon the Purchaser failing to pay the balance of the Purchase Price as required, the Land Sales Agreement is terminated and the Deposit is forfeited to the City. The Manager will then determine whether the Residential lot is sold by Land Sale Lottery or on a First-Come First-Served Basis.
- (c) In extraordinary circumstances (for example, death in a family) the Manager may, at his or her discretion, extend the deadline for payment in full of the Purchase Price for the Residential Lot for a period of time to be determined by the Manager, subject to the Purchaser paying interest on the balance of the Purchase Price at a rate of 10% per annum, calculated from the date of the expiry of the 60 day period until the date that payment for the Residential Lot is received in full.

1.04 GST

- (a) The Purchaser is responsible for paying any GST in relation to the purchase of a Residential Lot.
- (b) If payable, GST must be paid by the Purchaser at the time the balance of the Purchase Price is paid to the City.

- (c) Should the Purchaser provide a GST registration number, the City will not collect any GST at that time and the Purchaser shall be responsible for remitting any GST payable directly to the Canada Revenue Agency (CRA).

1.05 Commence Construction

- (a) A Purchaser must Commence Construction on a Residential Lot not later than eighteen (18) months from the date of the Land Sales Agreement, failing which the Purchaser shall pay the extension fees set out in Appendix B, section 1.06.
- (b) In the event that title has not transferred to the Purchaser and either:
 - (1) The deadline to Commence Construction (and any extension granted) expires, or
 - (2) The Purchaser fails to pay the extension fees set out in Appendix B, section 1.06.

The Manager may, at his or her discretion, terminate the Land Sales Agreement and upon payment of the balance of the Purchase Price (less any extension fees payable), the Purchaser shall have no further interest in the Residential Lot. The deposit and any extension fees shall be forfeited to the City.

1.06 Extensions to Commence Construction

The Manager may grant extensions for the deadline to Commence Construction for a Residential Lot on a month-to-month basis, subject to the Purchaser paying (in advance) the following extension:

- (a) One half percent (1/2%) of the Purchase Price for each month up to and including the third (3rd) month.
- (b) One percent (1%) of the Purchase Price for the fourth (4th) month.
- (c) The Manager may, at his or her discretion, grant further extensions beyond the fourth (4th) month to the deadline to Commence Construction for a Residential Lot for an extension fee of one percent (1%) of the Purchase Price per month.

1.07 Complete Construction

The Purchaser must Complete Construction on a Residential Lot not later than thirty (30) months from the date of the Land Sales Agreement, failing which the Purchaser shall pay the extension fees set out in Appendix B, section 1.08.

1.08 Extensions to Complete Construction

The Purchaser shall pay the following extension fees for the extension of the deadline to Complete Construction:

- (a) One half percent (1/2%) of the Purchase Price for each month until the Complete Construction requirement is satisfied.

1.09 Lot Returns

- (a) Subject to subsections (b) and (c) below, a Residential Lot may be returned by a Purchaser within sixty (60) days of the date of the Land Sales Agreement, upon which the Land Sales Agreement is terminated, the Deposit is forfeited to the City and the Purchaser shall have no further interest in the Residential Lot.
- (b) The Manager may, at his or her discretion, approve a Lot Return with a concurrent purchase of another Residential Lot prior to any excavation occurring on a Residential Lot, provided that:
 - (1) a proper written request is received from the Purchaser outlining the reason(s) for the Lot Return; and
 - (2) another Residential Lot is purchased within 24 months of the date the Lot is returned to the City.
- (c) If a Lot Return is approved under Appendix B, subsection 1.09 (b), the following shall apply:
 - (1) The Purchaser shall enter into a new Land Sales Agreement in respect of the purchase of the new Residential Lot;
 - (2) The 10% Deposit will not be forfeited;
 - (3) The Purchaser shall pay any and all costs associated with the Lot Return and concurrent purchase of another Residential Lot (including but not limited to the difference in Purchase Price, Land Titles registration fees, discharges of encumbrances of certificate of title, legal fees, new Development and Building permit fees);
 - (4) The Purchaser shall only be allowed one Lot Return and concurrent purchase of a new Residential Lot arising from or related to the original Land Sales Agreement.
- (d) The Manager shall determine, at his or her discretion, how a returned Residential Lot should be sold.

1.10 Transfer of Title

- (a) The City shall not be required to transfer title of a Residential Lot to a Purchaser unless and until:
 - (1) The Purchase Price has been paid in full;
 - (2) The Purchaser has completed the Commence Construction requirement to the satisfaction of the Manager of Land & Properties, or the Land & Properties Department is in receipt of a Transfer Request from the Purchaser's solicitor for the purpose of securing financing for the development of the Residential Lot; and,
 - (3) A proper written request is received from the Purchaser at the Land & Properties Department.
- (b) The City may only transfer title to a person other than the Purchaser if the Purchaser is a Contractor and the other person is the person to whom the Purchaser intends to sell the Residential Lot, , provided that the Purchaser has provided such written authorization directly to the City.
- (c) The Purchaser (or transferee) shall immediately register the Transfer of Land delivered by the City.

- (d) The City reserves the right to register encumbrances as required prior to closing. Title to all Residential Lots sold by the City shall be subject to all encumbrances registered against the Certificate of Title. It is the Purchaser's responsibility to investigate the Certificate of Title.

1.11 General

- (a) During development of a Residential Lot, the Purchaser and/or its Contractor shall not place or deposit any excavated dirt upon City property (including but not limited to any City easement or utility right-of-way), and if any excavated dirt is so deposited, the City shall have the right to have the dirt removed at the expense of the Purchaser.
- (b) The Purchaser shall ensure that all debris, building materials, cement, garbage and refuse are retained on the Residential Lot during construction and properly disposed of by the Purchaser or its Contractor. The Purchaser shall not permit any of the foregoing materials to be deposited (intentionally or unintentionally) upon City property, including but not limited to any park reserve and open space areas. The Purchaser shall take proper care to secure lightweight materials such that these are not blown away by wind from the Residential Lot. Any debris, building materials, cement, garbage or refuse that is disposed on or blows onto City property may be removed by the City at the expense of the Purchaser. Additional fines may be levied against the Purchaser in accordance with any applicable statute, bylaw or regulation.

APPENDIX C – ICI REAL ESTATE SALES

- 1.01 **Method of City ICI Real Estate for Sale**
Land & Properties Department may recommend the use any of the following methods as sales strategies to offer ICI Real Estate for sale:
- (a) Placed on open market;
 - (b) Expressions of Interest (EOI);
 - (c) Direct sale to interested party;
 - (d) Listing with a member of the Medicine Hat Real Estate Board approved under subsection 2.05 (k) of the Procedures;
 - (e) Auction;
 - (f) Tender; or
 - (g) As otherwise determined by Council.
- 1.02 **Requests for Real Estate Commission**
(a) All requests for a Real Estate Commission must accompany the Purchaser's Application and are subject to approval by the Manager of Land & Properties.
- 1.03 **Standard Terms and Conditions of Real Estate Purchase Contract**
(a) The Real Estate Purchase Contract must accord with standard commercial practices. Additional terms in the Real Estate Purchase Contract may include, but are not limited to:
- (1) **Extension Fee**
If the sale does not close within six months of approval, the Real Estate Purchase Contract may allow, at the discretion of the Manager, a Purchaser to request up to three one month extensions, which may be granted at a cost of 0.5% of the Purchase Price per month.
 - (2) **Environmental Condition Precedent**
The Real Estate Purchase Contract will be subject to the satisfaction or waiver of any environmental or geotechnical assessments, testing or analysis in relation to the property by the Purchaser.
- 1.04 **Buy Back Option**
(a) If the CAO deems it appropriate in the circumstances, the City may add a provision to the Land Sales Agreement that requires the Purchaser to commence construction of the Purchaser's intended improvements on the Real Estate (as approved by the City) within 18 months of the closing date, failing which the City will have an option to buy back the Real Estate for 90% of the Purchase Price.

- 1.05 Sales Process Initiation
The Land & Properties Department may initiate the sales process:
- (a) For all Real Estate that has an approved List Price and sales strategy.
 - (b) If an individual(s) or corporation inquires in writing as to whether the City will consider selling any Real Estate that is not listed for sale.
- 1.06 Process for Real Estate Sales Transactions with a Purchase Price equal to the CAO or COO's signing authority as per Signing Authority Policy 0126 or less:
- (a) The Land & Properties Department shall follow the below sales process in sequential order:
 - (1) Obtain Council authorization for the Land & Properties Department to offer a specific piece of Real Estate for Sale.
 - (2) The Manager offers the subject Real Estate for sale and receives a Purchaser's Application (with applicable deposit) in response to that or receives a written inquiry referred to in Appendix C, subsection 1.01
 - (3) Evaluation of the Purchaser's Application or written inquiry.
 - (4) If the List Price has been set for the subject Real Estate and the Purchaser's Application or written inquiry, as the case may be, is acceptable to the Manager, then Land & Properties Department may commence negotiations with the prospective Purchaser. The Manager must refer any negotiation regarding non-standard terms and conditions or deviations from the List Price to the CAO or COO or Council, as applicable, for consideration.
 - (5) If a written inquiry is submitted in respect of a piece of Real Estate that the City has not offered for sale, then the Manager shall follow the steps outlined in Appendix C, section 1.08 below.
 - (6) Upon reaching an agreement in principle with the prospective Purchaser, City Solicitor will prepare the Real Estate Purchase Contract.
 - (7) Purchaser signs the final Real Estate Purchase Contract.
 - (8) The CAO or the COO, as the case may be, approve the Real Estate Contract.
 - (9) Condition(s) precedent declared satisfied, waived or not satisfied.
 - (10) Closing and transfer of title.
 - (11) Include, if applicable, in the annual sales report to Council regarding all sales transactions of the immediately preceding year that were approved by a person other than Council.
- 1.07 Process for Real Estate Sales Transactions with a Purchase Price over the CAO or COO's signing authority as per Signing Authority Policy 0126 or any Real Estate sales transactions with a Purchase Price equal to the CAO or COO's signing authority as per Signing Authority Policy 0126 or less, which in the opinion of the CAO or COO, as applicable, ought to be approved by Council:
- (a) This process entails the same steps outlined in Appendix C, section 1.06, except the subject transaction must be approved by Council and the Manager is not required to include such transaction in the annual sales report.

- 1.08 Process to sell Real Estate that has not been offered for sale
- (a) If Real Estate, excluding streets, lanes or walkways, is not formally listed on the open market, an interested party can approach the Land & Properties Department to inquire if the Real Estate is or may be for sale and the List Price. On the receipt of such an inquiry, the Land & Properties Department shall follow the below process in sequential order:
- (1) The interested party sends Land & Properties a signed letter of interest.
 - (2) Land & Properties Department evaluates the letter of interest.
 - (3) Complete TCC circulation.
 - (4) Complete appraisal.
 - (5) Land & Properties Department makes a recommendation to sell or not sell the subject Real Estate, sales strategy, List Price, and terms and conditions through Administrative Committee and the Corporate Services Committee to Council.
 - (6) If Council chooses to sell the subject Real Estate, then Land & Properties Department shall commence negotiations with the prospective Purchaser. The Manager shall refer all negotiations regarding terms that deviate from commercially reasonable terms, or a change to the List Price to the CAO, COO, or Council, as applicable, for consideration.
 - (7) After an agreement in principle is reached with the prospective Purchaser, City Solicitor will prepare the Real Estate Purchase Contract.
 - (8) The Purchaser signs the final Real Estate Purchase Contract.
 - (9) After the final Real Estate Purchase Contract has been approved in accordance with the Policy, it must be executed by the Mayor and City Clerk. The transaction proceeds, subject to any conditions precedent in the Real Estate Purchase Contract.
 - (10) Condition(s) precedent declared satisfied, waived or not satisfied.
 - (11) Closing and transfer of title.
- 1.09 Real Estate is Road, Lane or Walkway
- (a) If the Real Estate is road, lane or walkway, an interested party can approach the Land & Properties Department to inquire if the Real Estate is for sale and the List Price. The process includes the following steps:
- (1) The interested party sends Land & Properties a signed letter of interest plus a \$500 application fee.
 - (2) Land & Properties Department conducts a preliminary review. If the Land & Properties Department chooses to initiate the sales process, the \$500.00 application fee will be used by the City to produce a road closure sketch and to initiate TCC circulation.
 - (3) Complete TCC circulation.
 - (4) Make a recommendation through Administrative Committee and the Corporate Services Committee and/or Development & Infrastructure Committee to Council.

- (5) If Council chooses not to sell the subject Real Estate, the Land & Properties Department shall inform the applicant of that decision in writing and return the \$500.00 application fee less any costs incurred by the City in the above subsection (2).
- (6) If Council chooses to sell the subject Real Estate, then Land & Properties Department shall negotiate the sale.
- (7) Once an agreement in principle is reached with the prospective Purchaser, City Solicitor will prepare the Real Estate Purchase Contract.
- (8) The Purchaser signs the Real Estate Purchase Contract.
- (9) The Real Estate Purchase Contract is approved by Council.
- (10) A Road Closure bylaw is forwarded to Council for first reading at the same meeting as step #9. If the Road Closure bylaw is defeated, the Deposit is returned less any and all costs incurred by the City. If Real Estate Purchase Contract is not approved, the Road Closure Bylaw will be withdrawn at that time.
- (11) The proposed sale is advertised in accordance with the *Municipal Government Act* (Alberta) and a public hearing is held (as required). Upon satisfaction of the advertising and public hearing requirements, if any, the Road Closure bylaw shall proceed to Council for second and/or third readings. If the Road Closure bylaw is passed, then proceed to step #12. If the Road Closure bylaw is not passed, then the Land & Properties Department shall return the Deposit to the prospective Purchaser less any and all costs incurred by the City, and the sale transaction will not proceed.
- (12) The transaction proceeds, including closing, transfer of title to the subject Real Estate from the City to the Purchaser, and consolidation of closed road with the Purchaser's existing Real Estate.