

COUNCIL REPORT

Meeting Date: June 22, 2021



Subject: Proposed Sale of Portion of River Lots 41 & 42 in Fort Chipewyan

APPROVALS:

Jamie Doyle

Director

Chief Administrative Officer

Recommended Motion:

Council may choose to consider one of the following options outlined below:

Option 1: THAT Administration be directed to advertise this matter in accordance with section 70 and 606 of the *Municipal Government Act* prior to bringing this report before Council for consideration of the land sale at a nominal value.

Option 2: THAT Administration be directed to advertise this matter in accordance with section 70 and 606 of the *Municipal Government Act* prior to bringing this report before Council for consideration of the land sale at an equitable value.

Option 3: THAT the Council transfer 2.5 Acres +/- of Lots 41 and 42, Chipewyan Settlement, to Georgina Cardinal, at market value.

Option 4: THAT the request to transfer 2.5 Acres +/- of Lots 41 and 42, Chipewyan Settlement, to Georgina Cardinal, be declined.

Summary:

Administration's role is to provide Council with the information required to make informed decisions in accordance with governing legislation, Council's Strategic Plan, and approved Council Policies. On April 5, 2016, Georgina Cardinal submitted a request to the Regional Municipality of Wood Buffalo (Municipality) to purchase a portion of Lot 41 and Lot 42, Chipewyan Settlement, located in Fort Chipewyan, as shown on Attachment 1. On the lands being requested, stands a single-family residential home inhabited by Georgina Cardinal. Many details in this Council Report have been documented from storytelling, and the Municipality does not necessarily possess all the records of reference.

Background:

The requester's family ('the Cardinals') have a long-standing history residing on River

Lots 41 & 42, that is estimated to be around one hundred years.

In 1981, the requester's late father, Joe Cardinal, was granted a Miscellaneous Permit (MLP819129), for a portion of River Lot 41 & 42 from the landowner at the time, Improvement District 18 North (ID18N). The Permit would have likely allowed the Permit holder occupation and construction of a family residence.

In 1989, ID18N established the Green Area Rural Hamlet Land Policy. This Policy establishes the issuance of three- (3) or five- (5) year leases with an option to purchase program. The lease/purchase price for each lot was determined by the Minister and based on local economic conditions, the location and size of the lot, and municipal services provided. Title to a leased lot was then transferred to the lease holder, provided that:

- a) the lease cost had been paid;
- b) taxes on the property were current;
- c) the property was developed; and
- d) all other terms of the agreement were fulfilled.

It is understood that the intent of the Green Area Rural Hamlet Land Policy was to change the way Crown land was handled, shifting from the issuance of permits, to a deeded land approach. At the same time, there was a movement towards expanding the boundary of the Hamlet of Fort Chipewyan outwards and a possible incorporation into a more structured Municipality. There were probably around a dozen land locations affected at the time, primarily occupied by Métis and non-status residents. The land locations were surveyed into lots; an adequate size was allocated to accommodate sewer field systems. Once the surveys were complete, each resident was given an offer letter outlining a lease with option to purchase. Not all residents received a letter, or they missed the opportunity to enter a lease with option to purchase. This opportunity was missed in some cases because the offer letters were written in English, and most of the residents' first language was either Cree or Dene; therefore, the residents may not have fully understood the letter presented to them.

Most lease holders accomplished transfer or ownership into their names, but some residents missed this opportunity and had to be added to the program later. Some residents failed to benefit completely, like the Cardinals, likely at no fault of their own. There were several factors which likely contributed to the Cardinal's situation:

- a) The written and verbal correspondence provided by ID18N to the Cardinals would not have been in their first language.
- b) A new Reserve was being established in Dog Head and it conflicted with granting physical access to the Cardinal's residence; and
- c) Later, the RMWB and Mikisew Cree First Nation entered into an agreement so

that the Cardinal's residence could be permanently accessed by a road and power lines for the benefit of the landowners. Even then, it was acknowledged that there was a responsibility on the First Nation and the Municipality to rectify the situation for the residents who were overlooked.

At the time of amalgamation in 1995, administration of the Green Area Rural Hamlet Land Policy was transferred to the Municipality. Following this period, the requester's late father passed away, without having the opportunity to exercise his right to enter into a lease with the option to purchase. Since May 2007, the requester has been paying taxes on the land being requested, and the account is current to date.

Budget/Financial Implications:

1. If the Regional Municipality of Wood Buffalo decides to transfer ownership to the requester at a nominal fee, the sale price would be \$1.00.
2. If the Regional Municipality of Wood Buffalo decides to transfer ownership to the requester, at an equitable value, the sale amount is \$9,620.57 and reflects the amount the Cardinals would have paid in 1995 (\$6,000), plus an average annual rate of inflation (1.83%), for 26 years.
3. If the Regional Municipality of Wood Buffalo decides to transfer ownership to the requester at market value, the sale amount is \$60,000 and reflects a market value analysis undertaken in March of 2021, by a qualified appraiser.

Rationale for Recommendation:

Administration recommends the sale at an equitable value, the sale amount is \$9,620.57 and reflects the amount the Cardinals would have paid in 1995 (\$6,000), plus an average annual rate of inflation (1.83%), for 26 years.

Ideally, when ID18N established the Policy, MLP819129 should have been replaced with a lease with the option to purchase agreement. No documentation exists today to show that Joe Cardinal was ever offered a lease with an option to purchase.

If the Municipality decides not to transfer ownership of the lands to the requester, it will perpetuate the unfortunate circumstances and prevent the land from being occupied with legal tenure.

Should Council approve this sale, the following would still need to occur prior to the transfer of ownership, and would be conditions of the sale:

- Subdivision and consolidation of portions of Lots 41 & 42, to create a new lot.
- Rezoning of the new lot from UE (Urban Expansion) to CR (Country Residential).
- In accordance with Section 70(1) of the *Municipal Government Act*, (a) land for less than its market value, or (b) a public park or recreation or exhibition grounds,

the proposal must be advertised. The advertising requirements in section 606 of the *Municipal Government Act* must be followed and the notice must contain the procedure to be followed by anyone wishing to file a petition pursuant to section 231 of the *Municipal Government Act*. This notice allows the public an opportunity to review and petition the proposed sale.

Strategic Priorities:

Responsible Government

Attachments:

1. Subject Area Map - Portion of River Lots 41 and 42



- First Nation Reserve
- Municipal Land
- Subject Area

1:4,158



Map created by the Land Administration Department
The use of this map is for reference only.
26 Oct 2021 / BA141-1