

Subject: Sale of Five Lots in Conklin, Alberta to the Conklin Resource Development Advisory Committee**APPROVALS:**

Keith Smith, Director
Bob Couture, Executive Director
Kevin Scoble, Deputy Chief Administrative Officer

Administrative Recommendation:

That the following be recommended to Council for approval:

That the Regional Municipality of Wood Buffalo enter into lands sales agreements with the Conklin Resource Development Advisory Committee in accordance with the Land Sale Terms and Conditions, dated July 25, 2016 and based on fair market value, for the following lots:

1. Lot 26, Block 2, Plan 8520147
2. Lot 3, Block 3, Plan 0326085
3. Lot 119, Plan 8321550
4. Lot 134, Plan 8321550
5. Lot 42, Plan 8321550

all as set out in Attachment 1.

Summary:

The Conklin Resource Development Advisory Committee (CRDAC) is a not-for-profit community organization. The CRDAC has requested to purchase four residential lots and one business industrial lot from the Regional Municipality of Wood Buffalo (RMWB) for a nominal rate.

The CRDAC intends to create the not-for-profit Conklin Housing Corporation, a wholly owned subsidiary of the CRDAC, who would be acquiring the above mentioned land, if approved, and would assume full responsibility for the management, maintenance and rental of future properties.

Background:

On January 26, 2016 the RMWB received a letter from the CRDAC requesting to purchase four residential lots and one business industrial lot from the RMWB at a nominal rate. Their goal is to develop not-for-profit housing and business opportunities in Conklin.

All five lots became titled to the RMWB via Amalgamation in 1995. The four residential properties are currently vacant, partially treed and to the best of our knowledge and records never occupied. The one business industrial lot is cleared, vacant and was once leased for a 5 year term that expired on January 31, 2006 with no activity since.

Alternatives:

1. Sell the land to purchaser at a nominal rate.
2. Do not sell the land and retain Municipal ownership.

Budget/Financial Implications:

Civic Address	Legal Address	Book Value	Appraised Value	Net Gain
173 Northland Drive	26/2/8520247	\$9,594	\$860,000	\$850,406
103 Pine Lane	3/3/0326085	\$8,290	\$184,500	\$176,210
175 Pine Lane	119//8321550	\$1,389	\$158,000	\$156,611
178 Pine Lane	134//8321550	\$1,644	\$210,000	\$208,356
130 Father Mercredis Trail	42//8321550	\$46,316	\$165,000	\$118,684

The above table illustrates the Book Value, Appraised Value, and Net Gain if the properties were sold. The Book Value is defined as the value of the asset at the time of RMWB’s acquisition. The Appraised Value is the value the property should sell for in today’s market assuming there is a willing buyer and a willing seller. The Net Gain is the difference in the two values. As shown above, the RMWB Net Gain for all five properties is positive.

Rationale for Recommendation:

Land Administration supports the land sale as there is no current or future plan for the subject properties. As a result, the disposal of the lands would not impact municipal operations and would enhance business activities and residential opportunities within the Conklin area. It is the practice of Land Administration to recommend the sale of Municipal land at fair market value. There has been no Municipal property, to the best of our knowledge that has been sold or exchanged at less than fair market value. However, the Municipality has in the past, leased and licensed property to non-profit organizations, with council approval, at a nominal rate.

To date there has been sporadic inquiries regarding these lots but no formal proposal.

Strategic Plan Linkage:

Pillar 4 – Building an Effective Land Strategy

Attachments:

1. Land Sale Terms and Conditions
2. Subject Area Map