

**Subject: Land Acquisition and Disposal Framework****APPROVALS:**\_\_\_\_\_  
Director\_\_\_\_\_  
Chief Administrative Officer**Recommended Motion:**

THAT the Land Acquisition Policy ADM-250 be repealed; and

THAT the Acquisition and Disposal of Interests in Real Property Policy LDI-030 be approved.

**Summary:**

This report provides an overview of how the Regional Municipality of Wood Buffalo (Municipality) acquires and disposes of Real Property. Approval of the proposed "Acquisition and Disposal of Interests in Real Property Policy LDI-030" will formalize the Land Acquisition and Disposal process by providing clear direction for Administration.

**Background:**

On April 13, 2021 Council passed the following motion:

“THAT Administration develop a Land Disposition Policy (and accompanying Administrative Procedure) to clarify and provide a framework for the management of disposing of land by the Municipality. This policy is to be returned to Council for consideration with an accompanying report on or before the Council meeting of Tuesday, May 11, 2021.”

In response, Administration has prepared the proposed Acquisition and Disposal of Interests in Real Property Policy LDI-030 (Attachment 1) which incorporates provisions from both the existing Land Acquisition Policy ADM-250 and new disposal provisions. Accompanying Administrative Procedures have also been created.

The Municipality's current Land Acquisition Policy ADM-250 was recommended for review at the end of this year. Council's motion prompted this review and the current policy will be replaced by the new Acquisition and Disposal of Interests in Real Property Policy LDI-030 (Policy), if approved.

## **Applicability**

For this Policy, Real Property includes any right, interest, or benefit in land, real or equitable, which includes improvements on, above or below the surface of the land. Ownership entails the right to use, control and disposition of land, buildings, and structures thereon or any other interest in land.

The Policy does not apply to goods, services, assets, property leasing, property licensing or interests arising from land dedications from subdivision or development applications, nor does it apply to real property acquired through vesting by reason of tax arrears.

## **Real Property Acquisitions**

The Land Administration Branch of the Planning and Development Department receives internal requests for Real Property acquisitions for both capital and operational needs (e.g., Engineering and Public Works projects). These acquisitions are currently processed in accordance with Land Administration Branch's Standard Operating Procedures (SOP), Land Acquisition Policy ADM-250, the Chief Administrative Officer Bylaw, and the *Expropriation Act* (when the latter is applicable).

## **Real Property Disposals**

Real Property disposals are currently processed in accordance with Land Administration Branch's Standard Operating Procedure (SOP), the Chief Administrative Officer Bylaw, and Section 70 - Disposal of Land of the *Municipal Government Act (MGA)*.

Methods for disposal include public offerings (posted on the open market for bid), restricted offerings (more than one contributory value), and direct sales. Disposal of “land for less than its market value” or “a public park or recreation or exhibition grounds” (other than to a non-profit organization) must be advertised in accordance with Section 70 of the *MGA*.

Should Land Administration Branch receive a request to purchase municipal Real Property at Fair Market Value (FMV), a thorough evaluation is conducted between the Land Administration and Community Development Planning branches to determine if the proposed use is supported under the Land Use Bylaw. Should the use be deemed appropriate, a circulation to all Municipal Departments is conducted to receive feedback on the proposal and determine if there is an operational need to retain ownership. Should no operational need be confirmed, Land Administration Branch will procure an appraisal and discuss the appraisal parameters with the proponent. Should the value of the Real Property, as determined by the initial appraisal be disputed, the proponent may procure their own qualified appraiser to prepare their own appraisal for the Municipality's consideration. Once FMV is agreed to, a Council date is requested from Legislative Services for presentation to Council for consideration.

Until recently, it has not been the practice of Administration to process nominal Real Property sales to either non-profits or for commercial (for profit) enterprises. There have

been several examples recently where Council directed that Real Property be sold at less than FMV to non-profits. These Real Properties were acquired by the RMWB at the time of amalgamation. Land Administration Branch followed the same processes in disposing these Real Properties as it would for a FMV sale. As per Section 70 (2) of the *MGA*, a proposed disposal does not have to be advertised if the estate or interest is to be used by non-profit organization as defined by the *MGA* (s. 241(f)).

Where a private business, group, or individual is interested in purchasing municipal Real Property, they may not approach Council directly (*per section 03.03(a) of the Council Presentation Request Policy LEG-130*). Any party interested in purchasing municipal Real Property must approach the Municipality through Administration. Such requests will be reviewed in accordance with the proposed new Policy LDI-030, if approved, and brought to Council for final determination.

**Rationale for Recommendation:**

Land Administration Branch supports the approval of the proposed Acquisition and Disposal of Interests in Real Property Policy LDI-030 as it responds to Council's request of April 13, 2021, aligns with Council's objectives, and is in accordance with applicable statutes, regulations, Municipal Bylaws, Council Policies, and Administrative Procedures.

Approval of the Policy will provide a clear and concise framework for Real Property acquisition and disposition of municipal property. Additionally, establishing a policy for both Real Property acquisition and disposition will ensure that property transactions are carried out in a more consistent, transparent, and accountable way.

**Strategic Priorities:**

Downtown Revitalization

**Attachments:**

**1. Acquisition and Disposal of Interests in Real Property Policy LID-030**

**Power Point Presentation - Land Acquisition & Disposal Framework**