

## **Subject: Land Sales to Church and Community Group(s)**

### **APPROVALS:**

Marcel Ulliac, Director  
Sudhir Sandhu, Executive Director  
Glen Laubenstein, Chief Administrative Officer

### **Administrative Recommendations:**

1. THAT the Municipality, as owner of Lot 3, Block 3, Plan 1323561 shown on Attachment 1, subdivide and service Lot 3, Block 3, Plan 1323561 as shown in Attachment 2.
2. THAT the Municipality enter into a conditional Sale, Subdivision & Construction Agreement with The Sanatan Mandir Cultural Society of Fort McMurray and The Redeemed Christian Church of God-Daystar Chapel Fort McMurray, on terms and conditions described in Attachment 3.
3. THAT the Municipality enter into a conditional Sale, Subdivision & Construction Agreement with The Fort McMurray Ashlar Building Club on terms and conditions described in Attachment 4.

### **Summary:**

In 2010 the Municipality acquired 154 acres (62.32 ha) of raw land from Alberta Sustainable Resources Development (ASRD). Subsequently 99.34 acres (40.20 ha) were sold, at cost, to the Abram's Land Development Corporation (Abram's). Under the terms of an agreement approved by Council in September 2010, Abram's has undertaken the responsibility for subdividing and servicing the property and in turn transferring ownership of 43.32 acres (17.53 ha) of developable land back to the Municipality. In addition, as part of the subdivision approval process, 30.10 acres (12.18 ha) has also be dedicated to the Municipality as Municipal Reserve land, Public Utility land and roadways.

The remaining acreage of 54.66 acres (22.12 ha) which lies west of the Abram's subdivision, and which is not part of the Abram's development, is being held in the Municipality's land inventory for future development. Approximately 17 acres (6.88 ha) of the 54.66 acres are able to be serviced in the near term because the servicing capacity was built into the Abrams' development in order to accommodate the eventual development of those lands.

Therefore, the surplus inventory of Municipal owned land provides the Municipality with the flexibility to use Lot 3 as a way to address and accommodate the needs of other religious and community organizations who wish to locate within the Abram's area.

In that regard, two faith based organizations (The Sanatan Mandir Cultural Society of Fort McMurray and The Redeemed Christian Church of God-Daystar Chapel Fort McMurray) and

one community organization (The Fort McMurray Ashlar Building Club) have approached the Municipality with a proposal to acquire a parcel of land within the Abram's area.

**Background:**

Based on the identified demand for serviced land from several religious organizations and community groups which were not part of the Abram's Land Development Corporation, Land Administration sought and obtained Council's approval in the 2012 Capital Budget to subdivide and service Lot 3 into smaller ones as proposed in Attachment 2.

Prior to entering into formal discussions with the religious organizations and community groups, the Land Administration Department informed Council about the general direction for potentially accommodating these groups' site requirements.

Because of the unique nature associated with the operation and existence of religious organizations and not-for-profit community groups, an independent appraisal firm was retained to recommend an approach to pricing that was considered fair and reasonable. The following is a summary of the appraiser's conclusions:

- *The Municipality's primary objective in subdivision of Lot 3 and its subsequent disposal is rooted in social policy i.e. to ensure an availability of land for institutional uses including religious and community organizations and in so doing to realize the associated social benefits for the community;*
- *The church groups and community organizations are not desirous of earning an income or a profit from the land and therefore there is an absence of any economic utility and competitive market opportunities;*
- *Given the social policy objective and the established practice with respect to its' implementation; pricing can only be formulated based on cost;*
- *The costs of subdividing and servicing Lot 3 are well documented through the Municipality's agreement with Abram's and its management of the development process therefore the costs can be readily used to form the basis of the sale price for the lots that will be sold to religious and community organizations.*

Both the Sanatan Mandir Cultural Society of Fort McMurray and The Redeemed Christian Church of God, Daystar Church, Fort McMurray has executed a conditional Sale, Subdivision & Construction Agreement as described in Attachment 3. The Fort McMurray Ashlar Building Club has also executed a conditional Sale, Subdivision and Construction Agreement as described in Attachment 4. In essence, each group recognizes that the Municipality's intent is to subdivide, service and sell them a lot based on a full cost recovery basis.

**Budget/Financial Implications:**

The cost for subdivision and servicing Lot 3, Block 3 Plan 1323561 will be funded from the \$5 million capital project that was approved as part of the 2012 Capital Budget.

The church groups and community organization will pay a purchase price that is based on the total subdivision and servicing cost which is estimated at \$900,000 to \$950,000 per acre. The

final purchase price will be based on the final tender cost for all construction and all associated development costs.

**Rationale for Recommendations:**

The subject property is considered to be surplus to the Municipality's needs.

The Municipality also owns an additional 54.63 acres in the West Growth Area which will be available for its use, if required.

Sale of individual lots to religious and community organizations on a cost recovery basis is consistent with the sale that was effected with the Abram's Land Development Corporation in 2010.

Based on the institutional zoning of the municipal lands that will be sold to the noted church/community organizations, it is appropriate for the value to be based on "cost" of development.

Subdivision and servicing of Lot 3 and subsequent sale to religious and community organizations enable these organizations to create a long term presence and provide a social benefit for the residents of Fort McMurray.

**Attachments:**

1. Plan Showing Survey of Subdivision of Lot1, Block 1, Plan 1027102
2. Schematic to Subdivided Lot 3
3. Church Sales – Terms & Conditions
4. Ashlar Sale – Terms & Conditions