



COUNCIL ATTACHMENT 1

STATUS

Council Approved	Y	N
CAO Approved:	Y	N

TITLE: Sale and Disposition of Land	NO.: First Approved: Latest Revision: Latest Approval:
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POLICY STATEMENT:

A policy to set out the principles and procedures governing the sale or disposition of land owned by The Regional Municipality of York

APPLICATION:

This policy applies to all transactions involving the sale or other disposition of land by the Region.

PURPOSE:

The *Municipal Act, 2001* (the “Act”) requires that the Region adopt and maintain a policy to govern the sale and other disposition of land. The purpose of this policy is to set out the principles governing these transactions and the procedures to be followed.

DEFINITIONS:

In this policy, the terms “appraisal”, “fair market value”, “land” and “sale” shall have the following meanings:

Appraisal: A written opinion, provided by either an independent, qualified appraiser or Regional staff, as to the fair market value of real property.

Fair Market Value: The purchase price that a property might be expected to realize if offered for sale on the open market, by a willing seller to a willing buyer.

Land: Includes land, buildings, and any rights or interest in land, including easements.

Sale: The transfer or conveyance of land.

DESCRIPTION:

The Property Services Branch has a mandate from Regional Council to manage the Region’s land and facilities. This includes the responsibility for ensuring that the disposal of any surplus

property is conducted in a consistent and transparent manner. The procedures set out in this policy are intended to achieve this objective.

1. PROCESS FOR IDENTIFYING SURPLUS LAND:

- 1.1 Where any Commissioner identifies land which is no longer required by his or her department, he or she shall notify the Director of Property Services in writing, setting out:
 - (a) a description of the land, including a legal description and location map, if available;
 - (b) the date on which the land was acquired, the authority for the acquisition and the original purchase price;
 - (c) the use to which the land has been put since the date of acquisition; and
 - (d) the reason for the land becoming surplus and the effective date that the Region's use shall cease.
- 1.2 Where any employee is contacted by a third party with a view to purchasing or acquiring an interest in land owned by the Region, such request shall be referred to the Director of Property Services.

2. INTERNAL CIRCULATION:

- 2.1 The Director of Property Services shall review each notification received and compile a description of the land showing:
 - (a) the location, dimension and character of the land;
 - (b) the existing and permitted uses of the land; and
 - (c) any special characteristics of the land.
- 2.2 The Director of Property Services shall circulate the land description to all Regional departments, and, if appropriate, to the Region of York Housing Corporation, York Region Rapid Transit Corporation and the York Regional Police, to notify them that the land has become available and to solicit any expressions of interest for the use of the land. Any expressions of interest must be received by the Director of Property Services within 30 business days from the date of the original circulation.
- 2.3 Should more than one expression of interest be received as a result of the circulation in section 2.2, the Chief Administrative Officer, on the recommendation of the Commissioner of Corporate Services, shall determine the most appropriate use of the land.
- 2.4 Where no interest has been identified as a result of the circulation, the Director of Property Services, in consultation with the Regional Solicitor, shall determine if any special legislative or policy provisions apply to the land, and shall ensure compliance with such provisions.
- 2.5 If it is determined that there are no special legislative or policy provisions applicable to the land, the land shall be deemed to be surplus to Regional requirements and shall be subject to the following procedures.

3. CLASSIFICATION OF SURPLUS LAND

The Director of Property Services shall determine the nature and interest of the surplus land and classify as follows:

3.1 Fee Simple Interest

Where land is held by the Region in fee simple, the Director of Property Services shall determine whether the property is of a general or limited market demand.

A property with **General Market Demand** may be of general commercial interest to potential purchasers. Properties with general market demand may include lands and buildings no longer required for Regional purposes, which may have a variety of commercial uses.

A property with **Limited Market Demand** may be of interest only to a limited number of potential purchasers because of its nature and/or location. Land with a limited market demand may include surplus road widenings which are of interest typically only to the adjacent landowner. Also in this category are properties that have been identified as desirable to facilitate a land exchange for other properties required by the Region.

3.2 Easements

Granting easements

Easements are generally only granted at the request of a third party to accommodate utilities and access rights. The granting of these rights has typically been regarded as a disposal of surplus property in that the Region no longer enjoys full use of its property interest.

Abandoning easements

The Region may have acquired permanent easements for construction and maintenance of infrastructure or temporary easements e.g. for access purposes during construction. Abandonment of these interests may be required either to relocate infrastructure or because the Regional interest is no longer required.

3.3 Exceptions

There are circumstances under which the Region disposes of interests in land but which are not subject to the formal procedures set out in the policy. These transactions have been duly authorized by Council and are as follows:

- the conveyance of road widenings and reserves to the entity having jurisdiction over the abutting highway
- the granting of approval for encroachments onto the Regional road system
- the conveyance of easements over .3 metre reserves to utility companies and local municipalities
- the granting of municipal consents and permissions to enter on Regional property

In addition, for the disposal or reversion of any water and wastewater properties acquired through Regional assumption by-laws, a separate report shall be submitted to Council.

4. APPRAISALS

The Director of Property Services shall conduct an appraisal of the land to establish its value and shall provide a formal letter of opinion setting out the factors which were considered in determining such value.

5. PROCEDURES

The procedure to be followed in each case shall be governed by the land classification established in section 3.

5.1 Fee Simple Interest -General Market Demand

Where, in the opinion of the Director of Property Services, a property has a general market demand, the procedure set out below shall apply:

- (a) the Director of Property Services shall prepare an information circular which shall describe the property, and indicate that the property is to be disposed of by the Region;
- (b) the information circular shall be sent to the Clerk of each local municipality, requesting that the Clerk notify the Director of Property Services within 60 days if the municipality has any interest in acquiring the property;
- (c) if an expression of interest is received from a local municipality within the time stipulated in the notice, the Director of Property Services shall commence negotiations with the local municipality. If an offer is received within 10% of the appraised value and the value of the property is \$50,000 or less, the Chief Administrative Officer shall be authorized to complete the transaction, subject to approval of the terms by Legal Services. If the best offer received is less than 90% of the appraised value, or if the offer is greater than \$50,000, a report shall be submitted to the Finance and Administration Committee to consider whether the offer should be accepted or the property should be retained;
- (d) should no agreement be concluded with a local municipality, the information circular shall then be sent to the following:
 - (i) York Region Public School Board;
 - (ii) York Region Separate School Board
 - (iii) Toronto and Region Conservation Authority
 - (iv) Lake Simcoe Region Conservation Authority
 - (v) Ministry of Government Services; and
 - (vi) Public Works Canada; and
- (e) if an expression of interest is received from the entities described in (d) above, the procedure set out in (c) above shall apply.

Should no agreement be concluded with a local municipality, board, government ministry or agency, the property shall be offered for sale to the public.

The Director of Property Services shall determine whether the property is to be marketed through a Request for Tender, issued by the Director of Supplies and Services, or through the services of a pre-qualified, accredited real estate broker.

Marketing via public tender

Where surplus land is marketed through public tender, the Regional Clerk shall receive offers until the deadline specified in the advertisement, all offers shall be opened in public and a written record of all offers received shall be prepared.

Marketing via services of a pre-qualified, accredited real estate broker

Where surplus land is marketed through the services of a pre-qualified, accredited Real Estate Broker, the Director of Property Services shall receive the offers.

Acceptance of offers

The Director of Property Services shall evaluate all the offers submitted and make recommendations, subject to the approval of Legal Services. Any offers accepted must be within 10% of the appraised value. If the best offer received is less than 90% of the appraised value, a report shall be submitted to the Finance and Administration Committee to consider whether the offer should be accepted or the land should be retained.

- the Chief Administrative Officer, or delegate, shall have the authority to accept agreements for the sale of land with an appraised value of \$50,000 or less
- for those lands with an appraised value greater than \$50,000, the Commissioner of Corporate Services, or delegate, shall evaluate all offers and report to the Finance and Administration Committee and Regional Council with a recommendation for sale
- in the event that no offers are acceptable to Regional Council, the land shall be retained for disposition at a later date
- in the event that Regional Council accepts the offer, the transaction shall be completed in accordance with documentation approved by the Regional Solicitor
- in all cases, Regional property shall be sold for at least 90% of fair market value, unless otherwise directed by Regional Council
- any sales to a local municipality or public agency shall be subject to a restrictive covenant requiring the land to be used for public purposes for at least two years following the transfer date, failing which the Region shall have the right to repurchase the property for the original sale price

5.2 Fee Simple Interest – Limited Market Demand

The Director of Property Services shall identify potential purchasers and invite submissions from interested parties. If an offer is received within 10% of the appraised value, the Director of Property Services shall be authorized to complete the transaction, subject to approval of the terms by Legal Services. If the best offer received is less than 90% of the appraised value, a report shall be submitted to the Finance and Administration Committee to consider whether the offer should be accepted or the land should be retained.

5.3 Easements

Granting easements

The general principles applicable to fee simple interests apply to the sale of easement rights. The Region shall attempt to secure full market value for its interests. Because, by their nature, easements are of limited market value, the requirement to circulate to other agencies shall not apply. The Director of Property Services shall circulate the request for easement to the appropriate Commissioner and obtain his or her consent to the granting of the easement. The Director of Property Services shall also determine a value for the easement. If the third party's offer to purchase the easement is within 10% of the appraised value, the Director of Property Services shall be authorized to complete the transaction, subject to approval of the terms by Legal Services.

Abandoning permanent and temporary easements

Requests for the abandonment of Regional easements has also been regarded as disposal of surplus land in that the Region no longer enjoys the easement it had originally acquired. The Director of Property Services shall circulate the request for the abandonment of easement to the Commissioner who has jurisdiction over the service and to any other Commissioner who may have an interest in the easement to obtain authority to abandon the easement at no cost.

6. REPORTING

The Commissioner of Corporate Services shall report to the Finance and Administration Committee and Regional Council annually to provide a summary of all land that has been sold or otherwise disposed of with a market value of less than \$50,000.