

VULCAN COUNTY POLICY NO. 69-1002	DISPOSAL OF COUNTY LANDS
Effective: September 19, 2018	Amended: August 16, 2023
Cross Reference: CC 2018-09-19-30 CC 2022-02-16-09 CC 2023-08-16-09	Page 1 of 5
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Disposal of County Lands Policy

1. PURPOSE

The purpose of this policy is to administer a fair and consistent formal process in the disposition of municipal owned lands in Vulcan County, while ensuring the fulfillment of our legislative mandate by meeting legal and statutory requirements.

2. DEFINITIONS

- a) **“Administration”**: an employee of Vulcan County as directed by the Chief Administrative Officer;
- b) **“Appraisal”**: an official valuation of property by an authorized person;
- c) **“Council”**: the elected official Council of Vulcan County, in the Province of Alberta;
- d) **“County”**: Vulcan County, in the Province of Alberta;
- e) **“Disposal”**: the act of selling Reserve Land, Former Reserve Lands, and Fee Simple Lands.
- f) **“Fee Simple Lands”**: any lands which are held in freehold title by Vulcan County or County of Vulcan #2 and are not encumbered by a reserve designation.
- g) **“Former Reserve Lands”**: lands which are owned by Vulcan County and were previously encumbered with a reserve designation.
- h) **“Lands”**: any lands which are classified as Fee Simple Land, Former Reserve Lands, or Reserve Lands.
- i) **“Lease”**: the contract by which one conveys the property for a specified term and specified rent.
- j) **“Lessee”**: the person who holds the lease of the property.
- k) **“MGA”** Municipal Government Act, Revised Statutes of Alberta, Chapter M-26, as amended;
- l) **“Municipal Purpose”**: the purposes set out in Part 1, Section 3 of the Municipal Government Act;
- m) **“Municipal Owned Lands”**: any lands which are registered with Alberta Land Titles in the name of Vulcan County or County of Vulcan #2.
- n) **“Public Sales”**: the sale of lands that Vulcan County is actively trying to dispose of;
- o) **“Removal of Reserve Designation Procedure”**: the procedure established from time to time by Administration, for the purposes of carrying out the removal of reserve designations;
- p) **“Reserve Lands”**: any lands which have been provided by a registered owner as Municipal Reserve (MR), (in each shall not include lands held as Environmental Reserve) under the provisions of the Municipal Government Act;
- q) **“Tangible Capital Asset Policy”**: Vulcan County’s Tangible Capital Asset Policy 12-2214.

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- r) **“Tender”**: is an offer to do or perform an act which the party offering, is bound to perform to the party to whom the offer is made.

3. GENERAL

- a) The disposal of County Lands will be considered in the context of the overall policies of the municipality, including the Municipal Development Plan, Land Use Bylaw, and adopted Strategic Plan.
- b) The sale of Lease Land may be initiated by either the municipality or the current Lessee that is interested in acquiring the land.
- c) A Lessee may inquire with the municipality on the appraised market value of the land, prior to initiating a sale. The municipality will then commission two (2) independent market value appraisals to be completed in accordance with the Uniform Standards of Professional Appraisal Practice by a certified Appraiser. Costs for the appraisal reports will be borne by the Lessee and be refundable should a sale be initiated within 90 days of the appraisal reports being completed.
- d) If Lands are required for municipal purposes, the County shall have the right to use and or/ subdivide and/or dispose the Lands as it requires to meet that municipal purpose. No compensation for municipally used or disposed Lands for municipal purposes will be provided to the lessee other than adjustments to lease rates.
- e) The County shall not dispose of Reserve Lands and Former Reserve Lands in an Inter-Municipal Development Plan area without prior consultation with the appropriate municipalities.
- f) The County shall dispose of Reserve Lands, Former Reserve Lands and Fee Simple Lands in accordance with the Municipal Government Act.
- g) Disposal of Lands which is initiated by Vulcan County shall be done through motion of Council.
- h) If Fee Simple Lands are sold for less than market value, the proposal must be advertised in accordance with section 70(1) of the MGA.
- i) The County shall not trigger the disposal of more than 8.5% of the total lands owned by the Municipality in a single calendar year.

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4. SALES PROCEDURE – LAND LESS THAN THIRTY (30) ACRES

- a) When an application to purchase Land is received, Administration shall request the local Assessor provide their opinion on the market value of the Lands, based on the assessment data which is available at the time. If the property has unique characteristics which are not captured in the assessment data which is available, the local assessor may request that a certified third party appraisal be conducted. The market value shall be used as the sales price of the Land and Administration may proceed with the sale accordingly.
- b) Should the potential purchaser not agree with the market value which has been provided, the potential purchaser, at their cost, may have a third party independent market value appraisal completed in accordance with the Uniform Standards of Professional Appraisal Practice by a certified Appraiser, for consideration.

5. SALES PROCEDURE – LAND IN EXCESS OF THIRTY (30) ACRES

- a) Reference will be made to statutory documents including the Land Use Bylaw, Municipal Development Plan and Intermunicipal Development Plans prior to consideration of, and advertising the sale of Land.
- b) The Chief Administrative Officer, or designate, shall
 - a) have two (2) independent market value appraisals completed in accordance with the Uniform Standards of Professional Appraisal Practice by a certified Appraisers;
 - b) ensure that market value appraisal reports are no older than 90 days at the sale trigger date;
 - c) have the reserve sale price set at the average valuation of the two appraisal reports.
- c) The Chief Administrative Officer, or designate, shall have prepared an information package on the subject Land(s) that includes the following:
 - i. A brief description of the subject Land(s) (including the location, minimum sale price, zoning and any other relevant information);
 - ii. Copy of the title and plan;
 - iii. Copy of relevant zoning and development permit guidelines, if applicable;
 - iv. Copy of any covenants registered on the property;
 - v. Land Purchase Application form that is to be completed by the prospective purchaser.
- d) The County website will be utilized to list municipal owned Lands that are being offered up for sale to the public.
- e) The Lands will be sold pursuant to the following tender process:
 - i. The Lands will be publicly advertised for sale for a minimum of two (2) weeks. The advertisement will include:

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- The legal land description of the lands for which tenders will be accepted;
 - The date and time the tender for the property closes, which shall be no less than thirty (30) days after the last advertisement date;
 - The date in which lands can be viewed by potential buyers;
 - The street address and mailing address of the County’s Administration Office;
 - That the current Lessee will have a maximum of five (5) business days, excluding Saturday, Sunday, and named holidays, to match plus one (1) dollar the highest tender received for the lands;
 - Penalty amount for not completing the purchase of a successful tender;
 - Any other conditions or requirements of the County.
- ii. Bids will be accompanied by:
 - i. The name, address and phone number of the purchaser;
 - ii. A certified cheque in the amount of 10% of the bid price.
 - iii. Bids will be awarded on a cash basis only. The County will not finance the lands.
 - iv. Leasehold improvements of fences, dams, dugouts and re-seeded lands remain and will be sold with the lands and no compensation will be available to lessee. Other leasehold improvements such as buildings and structures can be removed at the discretion of the current lessee.
 - v. The possession date shall be 45 days after tender closing.
 - vi. The tender opening will be open to the public.
 - vii. Once all the tenders have been opened and the tenders recorded, the current lessee shall have, immediately following the opening of the last tender, a maximum of five (5) business days, the option of matching the highest tender plus one (1) dollar.
 - viii. If the current lessee does not exercise the option to purchase the lands, the lands shall be sold to the highest tender.
 - ix. The balance of the funds required for the sale shall be paid to the County within forty-five (45) days following the date of the tender opening.
 - x. Both successful and unsuccessful tenders will be notified of the results of the tender.
 - xi. Should a successful tender not complete the purchase of the Lands, the ten (10) percent deposit shall be forfeited to the County and the sale process shall be repeated anew.
 - xii. Should no bids be received on a subject property, the current Lease shall be null and void, and County Council shall reserve the right to determine what actions are required to move forward with a sale or new lease of the property.
- f) A report of the tenders received and the successful proponent shall be compiled by the Chief Administrative Officer or designate and be made available to Council at the next Council meeting.
 - g) The Chief Administrative Officer, or designate shall complete the sale agreement process upon satisfaction of matters related to conditions.

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6. USE AND MANAGEMENT OF SALE PROCEEDS

- a) Fee Simple land sales generating more than \$100,000 in proceeds shall have:
 - i. 25/26^{ths} of the sale proceeds shall be placed in the Land Sales Capital Reserve.
 - ii. 1/26th of the sale proceeds shall be placed into the General Municipal Operating Contingency Reserve.

- b) The Lands Sales Capital Reserve shall be utilized to fund capital projects with an expected useful life of 26 years or greater, as defined in the Tangible Capital Asset Policy.

- c) Fee Simple Land sales generating less than \$100,000 in proceeds shall be dealt with as determined by Administration.