

Land Acquisition and Disposition

Policy 1-13 / Resolution R009-20

**EFFECTIVE JANUARY 6 2020 RESOLUTION R009-20
AMENDED FEBRUARY 7, 2022 RESOLUTION R035-22**

1.0 Policy Statement

The purpose of the Land Acquisition and Disposition Policy is to provide a framework for the acquisition and disposition of lands in alignment with the City's strategic priorities and is intended to guide City staff and Council. The City of Castlegar shall acquire land and dispose of land in a transparent and accountable manner that considers its social, economic, environmental, and cultural return to the City and its residents to the best of its ability and as circumstances allow. It is recognized that in some circumstances, such transactions require confidentiality and discretion, to ensure the best outcome for the City and its residents.

2.0 Purpose

This Policy establishes a comprehensive framework for the purchase, sale, or other acquisition or disposition of City owned lands. The Policy is intended to foster the following principals:

- Accountability and transparency
- Consistency with strategic objectives
- Sustainability and resiliency
- Social and cultural responsibility

3.0 Scope

This policy applies to all financial and legal transactions involving the acquisition or disposition of City owned land, except for expropriations, road dedications, easements, or right of ways.

4.0 Definitions

Abutting Land means real property that directly bordered the City's land parcel. In the case of the disposal of closed highway, abutting land is considered real property that is immediately adjacent to the closed highway.

Acquisition means the purchase, transfer, conveyance, or exchange of the fee simple interest in real property by the City from another party.

Appraisal means a written opinion on the market value of the land prepared by a registered member of the Appraisal Institute of Canada, the assessed value as determined by B.C. Assessment, or other person(s) deemed by Council to be qualified for the purpose identified.

Appraised Value means the value noted in the appraisal, or the assessed value as determined by B.C. Assessment.

Council means the duly elected Municipal Council of the City of Castlegar.

Disposition means the sale, transfer, conveyance, or exchange of the fee simple interest in real property, or the granting of a long-term lease (exceeding 20 years), or a licence of occupation by the City to another party.

Fair Market Value means the highest amount that real property may be expected to realise if sold in the open market by a willing seller to a willing buyer.

Fee Simple Interest means an ownership of real property in which the owner has the right to control, use, or dispose of the real property at will.

Highway means a common and public highway and includes any bridge, trestle, viaduct, or other structure forming part of the highway and, except as otherwise provided, includes a portion of a highway.

Letter of Opinion means a written opinion as to the fair market value of real property, provided by an independent qualified appraiser who shall be a registered member in good standing of the Appraisal Institute of Canada, or any other person deemed by Council to be qualified for this purpose.

5.0 Land Acquisition Policy

The purpose of the Land Acquisition Policy is to identify assessment criteria for potential land acquisition in alignment with the City's strategic objectives and priorities as a tool to help the City assess development opportunities as they either come to the City or are sought by the City. Opportunity lands are lands that may be under evaluation by the City and may include potential purchase, partnership, trade, or donation.

Step One

When a land acquisition opportunity is identified, staff will complete an in-camera Land Evaluation consisting of the following:

1. Strategic Directive Match:
 - Affordable Housing Opportunity
 - Revitalization Opportunity
 - Mixed Use Opportunity
 - Economic Development

- Conservation Lands
 - Waterfront Access
 - Cultural Heritage Significance
 - Suitability for City Infrastructure
2. Municipal Staff Resources
 - Assessment of staff capacity requirements
 - Assessment of staff availability
 3. Location
 - Legal description and civic address
 - Parcel size and configuration
 - Current land use and proposed land use
 4. Cost of Opportunity
 - Acquisition cost and financial viability
 - Public benefit
 - Annual costs associated with operation and maintenance
 - Cost of land use change (building demolition, servicing, restrictions, grades, access)
 - Equivalent land may be acquired where a future need is identified and held until such a time as the City is prepared to develop or sell and where it is reasonably expected that the fair market value of the land will increase
 5. Building and Development
 - Existing buildings on site (keep/renovate/demolish)
 - Intended use
 - Anticipated timelines for development approvals and development
 - Anticipated timelines for occupancy
 6. Recommended Role of the City

Step Two

Staff will prepare an in-camera report for Council consideration that includes the Land Evaluation check list and identification of how the proposed land acquisition is to be funded.

Step Three

If Council supports the acquisition of a property, the City will obtain a property valuation for the subject property by an independent appraiser which will be used to determine the fair

market value of the property. The City will only pay in excess of appraised value under exceptional circumstances.

6.0 Land Disposition Policy

The purpose of the Land Disposition Policy is to identify assessment criteria for potential land disposition in alignment with the City's strategic objectives and priorities as a tool to help the City assess opportunities for land sale, long term lease, trade, or donation. Municipal lands are those that are owned in fee simple by the City of Castlegar.

The City will maintain a **Municipal Land Inventory** of real property assets owned by the City of Castlegar, apart from property assets associated with highways, roads, road allowances, or narrow strips of land in associated with City services such as water, sewer, and stormwater management.

The City may be requested to dispose of land through a prospective purchaser submitting an expression of interest or offer to purchase, request for road closure, exchange, donation or request for tender.

Step One

When a land disposition opportunity is identified, staff will complete an in-camera Land Evaluation consisting of the following:

1. Strategic Directive Match:
 - Affordable Housing Opportunity
 - Revitalization Opportunity
 - Mixed Use Opportunity
 - Economic Development
 - Suitability or Use for City Infrastructure
2. Municipal Staff Resources
 - Assessment of staff capacity requirements
 - Assessment of staff availability
3. Location
 - Legal description and civic address
 - Parcel size and configuration
 - Current land use and proposed land use
4. Value of Opportunity
 - Assessed value

- Public benefit
 - Cost of land use change (building demolition, servicing, restrictions, grades, access)
5. Potential Costs
- Existing buildings on site (keep/renovate/demolish)
 - Potential conditions associated with disposition
 - Anticipated timelines for public notification under the Community Charter
6. Recommended Action of the City to dispose of lands through direct sale or negotiation, request for tender, listing with real estate agent or land exchange or to hold the lands for future City interests.
- Requests for Tender (RFT) will be in accordance with the City's Procurement Policy
 - Listings with a real estate agent shall ensure that the listing price be not less than the appraised value plus any associated costs
 - Land exchange involves a reciprocal transfer of land of an equivalent value (monetary or public interest) in whole or in part plus any associated costs, unless it is determined it is in the City's best interest to accept a transfer of land of lower value
 - All costs incurred or anticipated to be incurred to dispose of the land, including but not limited to, legal fees, realtor fees, surveying costs, appraisal fees, development approvals, and public notification costs should be the responsibility of the buyer unless otherwise negotiated

Step Two

The City will obtain a property valuation for the subject property by an independent appraiser which will be used to determine the fair market value of the property. The City will only accept payment below appraised value in circumstances in which the property is being donated or where it is determined that accepting payment below appraised value is in alignment with the best interests of the City and its residents.

If the property is not considered viable for future development, a letter of opinion shall be sufficient.

Any property valuation obtained shall be used solely as a guide and is shall not be determinative of the terms of price, other factors, or the conditions of sale, in which Council may dispose of a property.

Notwithstanding the above, a property valuation will not be required for the following:

- road closures where the lands will be sold to the owner of abutting lands

- lands that do not have direct access to a highway if sold to the owner of abutting lands
- lands transferred to another local government, provincial government, federal government, or indigenous government, including their local boards and agencies

Step Three

Staff will prepare an in-camera report for Council consideration that includes the Land Evaluation check list and identification of the request for disposition, proposed conditions of disposition, and timelines for public notification and legal requirements under the Community Charter.

1. All bids, proposals, and offers shall be presented to Council unless Council has directed staff to negotiate the disposition by another method
2. Council shall have the authority to determine the successful offer
3. Council reserves the right to accept an offer less than the appraised value, including costs, where in the opinion of Council, it is in the best interest of the City to do so

Step Four

Staff will prepare the necessary public notification under the Community Charter. Requirements and timing of public notification will be dependent on the type of land disposition being pursued.

Step Five

Proceeds from the disposition of City owned property shall be placed into Land Reserves to support future City initiated land acquisitions, land improvements, or capital assets unless otherwise determined by Council. Disposition of park land shall be placed into Park Reserves to support future City initiated land acquisition or capital improvements to the municipal park system.