

Realty Services Division: New Land Sales Procedures as of 2017

Realty Services Division

November 21, 2017



Changes to the Land Sales Process

- Enhanced public notification process:
 - Required by policy: 3 week newspaper circulation & listing on City website
 - New: What is required, plus: On site posting for 3 week period & www.Realtor.ca listing

Changes to the Land Sales Process

- Enhanced determination of value process for property with development potential:
 - Required by policy: City property to be sold for, at least, its appraised value. List on City website.
 - Old procedure: Accept the first offer that equals the appraised value plus all costs associated with the sale
 - New: List also on www.Realtor.ca. Hold all offers for a 10 day period, taking the greatest offer received in that period that is at least equal to or greater than appraised value plus all costs

Changes to the Land Sales Process

- Enhanced determination of value process for road allowances (internal):
 - By-law 2010-118 allows the City, at its discretion, to dispose of road allowances to adjacent property owner for nominal consideration
 - The City has consistently exercised this discretion
 - The standard municipal practice is to charge FMV
 - New: Realty Services will begin recommending to LMC that road allowances be sold at FMV

Comparables

Township of North Kawartha	<p>\$750.00 plus HST per each linear foot on lots allowances with water frontage</p> <p>\$0.06 per square foot plus HST on land locked concession or lot allowances</p>	\$200.00 Administration Fee
Municipality of Chatham-Kent	<p>Price negotiated by the Manager – may obtain appraisal if necessary</p> <p>If price cannot be agreed to between Manager and purchaser, application to purchase is denied</p>	
Township of Georgian Bay	\$6.00 per square metre	\$550.00 Administration Fee
Township of Lake of Bays	\$1.00 per square foot	\$650.00 Administration Fee
Township of Armour	\$0.40 per square foot	\$500.00 Administration Fee
Township of North Frontenac	<p>\$250.00 for first 500 linear feet PLUS \$3.00 per each additional linear foot</p>	\$1,000.00 Administration Fee
Township of Minden Hills	Appraised value	
Township of Selwyn	<p>\$1,000.00 for up to 100 feet of frontage PLUS \$10.00 per each additional foot of frontage</p>	\$150.00 Administration Fee

Changes to the Land Sales Process

- Enhanced determination of value process for road allowances (shoreline):
 - City currently values shoreline road allowances at \$1,625 flat fee + \$20/ linear foot (By-law 2010-118)
 - Recommended: Retain linear foot cost for rivers, increase linear foot cost to \$23/ linear foot for lakes

Comparables

Municipality of Trent Lakes	\$40.00 per linear foot of water frontage	\$500.00 Administration Fee
Township of North Kawartha	\$2,050.00 plus HST for up to 150 linear feet of water frontage (min \$13.7/linear foot) PLUS \$15.00 per each additional linear foot of water frontage over 150 feet	\$200.00 Administration Fee
Township of Georgian Bay	\$8.00 per square metre (\$48.84 / linear foot)	\$550.00 Administration Fee
Township of Lake of Bays	\$0.40 per square foot (small lake) (\$26.4/linear foot) \$0.75 per square foot (medium lake) (\$49.5/ linear foot) \$1.00 per square foot (large lake) (\$66/ linear foot)	\$650.00 Administration Fee
Township of Armour	\$0.40 per square foot (\$26.4/linear foot)	\$500.00 Administration Fee
Municipality of Whitestone	\$2.00 per square metre for first 90 metres of frontage (\$12.21/ linear foot) PLUS \$1.00 per square metre over 90 metres of frontage	\$1,000.00 Application Fee \$500.00 Administration Fee
Municipality of Highlands East	\$500.00 for first 150 feet of water frontage (min \$3.3/ linear foot) PLUS \$2.00 per additional foot	\$250.00 Administration Fee
Township of Algonquin Highlands	\$0.40 per square foot (\$26.4/linear foot)	
Township of North Frontenac	\$0.15 per square foot (\$9.9/linear foot)	\$1,000.00 Administration Fee
Township of Selwyn	\$2,500.00 for up to 100 feet of water frontage PLUS \$25.00 per each additional foot of water frontage (min \$25/linear foot)	\$150.00 Administration Fee

Changes to the Land Management Committee – land sales function

- Existing: Land Management Committee acts in a reactive nature to process individual requests from the public with respect to land sales
 - Property Disposition Task Force acted as the asset management function
- New: Portfolio Management Team acts as the asset management function

Land Management Committee: A Background

- Developed by the Property Disposition Task Force and approved by Council in 2001
- Scope: Land sales and land leasing, reactive
- Committee members: representatives from Corporate Services (Manager of Corporate Assets); Community Services, Public Works, Economic Development, chaired by the Manager of Realty Services

Portfolio Management Team: An Introduction

- Scope: Proactive, corporate-led rationalization of the corporate portfolio. Project management of multi-year corporate projects involving the acquisition, disposition and leasing of land.
- Team Members: CAO, Strategy Management Office (co-chair), Community Services/ Building and Property (co-chair)
- Realizes on CR2015-256, directing PDTF be re-instated and that terms of reference for PDTF be brought back to Council

Surplus Lands Disposition

Process under PDTF

- Review all property by ward for potential surplus and sale
- Resulted in large time delay (several years) between when a property was declared surplus and when it was sold

Process under PMT

- Review property in small batches in a just in time to market manner
- Timing guided by 10 year Asset Management Plan, requiring annual land sales target of \$600,000.00

Leasing and Licensing Portfolio

- Former process: Reactive and fragmented.
- New process: PMT considers the upcoming needs of all departments, using the approved Council Master Plans as guidance. Integrated with property acquisition/disposition process.
 - All property considered corporate and maintained by Building and Property.
 - PDTF rationalizes existing leasehold interests

Guiding Documents

Land Sales

- Land Management Policy (032-CAO-005)
- By-law 2010-118
- Disposal of Real Property Policy (C-204-DEV-001)

Land Purchases

- Land Management Policy (032-CAO-005)

Land Leasing (as Landlord)

- Land Management Policy (032-CAO-005)
- Council Resolution CR2017-188: Industrial/Commercial leases at the lesser of FMV and full cost recovery

Land Leasing (as Tenant)

- Land Management Policy (032-CAO-005)

Next Steps

- Realty Services will bring a Report to Council, recommending changes to By-law 2010-118 with respect to the unit prices for shoreline road allowances and road allowances (internal)
- Realty Services will bring a Report to Council, recommending amendment to the Land Management Policy 032-CAO-005 to add Terms of Reference for the Portfolio Management Team
- Realty Services will bring a Report to Council, recommending amendment to the Land Management Policy 032-CAO-005, to provide further guidance in the form of Acquisition, Leasing and Licensing Principles for City-owned Property