



## Corporate Policy and Procedures Manual

Policy No:

<b>C</b>	<b>204</b>	<b>DEV</b>	<b>001</b>
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Policy Name:

**Disposal of Real Property Policy**

Developed By: **Diane McFarlane**  
Land Management Co-ordinator  
Department: **Development Services**

Date:

Adopted By: **Council**

Date: **January 28, 2014**

Resolution Number: **CR2014-091**

Effective: **January 28, 2014**

Cross-Reference:

Revisions: **February 13, 2018**

### Policy Statement and Rationale:

The City of Kawartha Lakes shall dispose of surplus real property in an open and transparent manner in accordance with the City of Kawartha Lakes Bylaw 2010-118, as amended, and in a way that maximizes its social, economic, environmental and cultural return to the City of Kawartha Lakes.

This policy shall ensure that transparent and accountable processes are followed in the disposal of all real property and will ensure that returns are fair, reasonable and in the best interests of the City of Kawartha Lakes.

### Scope:

This policy applies where real property is disposed of by the City of Kawartha Lakes. The City's Land Management Department shall undertake the disposal of real property in accordance with this policy and the City of Kawartha Lakes Bylaw 2010-118, as amended.

This policy applies to all City of Kawartha Lakes employees, and any agents or assigns authorized to dispose of real property on behalf of the City.

### Definitions:

**Abutting owner** – in the case of the disposal of a closed road or highway, an abutting owner refers to an owner, the front, rear or side of whose property is immediately beside the road or

highway, but does not include an owner whose property touches either end of the road or highway. With respect to any other real property disposal, an abutting owner is any owner whose real property touches the City's real property.

**Appraisal** – a written estimate of current market value prepared by a CRA or AACI who is a member in good standing with the Appraisal Institute of Canada.

**Disposal** – the sale or exchange for other real property of any of the City's real property that has been declared surplus, but does not include the leasing of City-owned property or the granting of an easement or right-of-way.

**Market value** – the highest price a willing buyer would pay and a willing seller would accept, both parties being fully informed, and the real property being marketed for a reasonable period of time.

**Non-viable real property** – real property for which a building permit cannot be granted because either it is landlocked, or it is of insufficient size and shape to permit development unless developed in conjunction with abutting land.

**Real property** – land and/or buildings and all improvements thereon.

**Surplus real property** – real property that is not required to meet the current or future program or operational requirements of the City and that has been declared to be surplus by City Council or its delegated authority.

**Viable real property** – real property for which a building permit can be granted.

## **Policy, Procedure and Implementation:**

### **1. General**

- 1.1 Where real property is proposed to be disposed of, it shall first be determined to be viable or non-viable by the Land Management Committee.
- 1.2 Subject to Section 1.3, real property shall be disposed of at the appraised market value unless waived by City Council.
- 1.3 Notwithstanding Section 1.2, City Council may, unless prohibited by the *Municipal Act*, authorize the disposal of real property at less than market value if, in its opinion, it is in the best interests of the City to do so.
- 1.4 All City-owned real property is a corporate asset and not an asset of any individual department. Monies received from the disposal of any real property shall be deposited to the City's Property Development Reserve Account, unless otherwise required by the *Planning Act* or directed by City Council.
- 1.5 This policy shall not apply to the disposal of real property which is the subject of an agreement entered into by the City for the provision of municipal capital facilities pursuant to section 110 of the *Municipal Act*.

- 1.6 The disposal of a surplus road allowance to be constructed as a future road and the disposal of surplus road widening requirements shall be carried out in accordance with the Council approved by-laws of Road Allowances. A surplus subdivision block no longer required for a future road shall be carried out in accordance with the Council approved by-laws of Road Allowances, unless the subdivision agreement requiring the conveyance of the subdivision block to the City directs otherwise. All other surplus closed road allowances shall be disposed of in the same manner as any surplus real property, in accordance with this policy.

## **2. Conditions for the Disposal of Real Property**

Unless otherwise stated in this policy, the following conditions must be met before the disposal of any real property:

- 2.1 The real property shall be declared surplus to current or future program or operational requirements of the City.
- 2.2 At least one (1) appraisal of the real property shall be obtained.
- 2.3 Notice of the proposed disposal shall be provided to the public.

## **3. Authority to Declare Surplus**

- 3.1 All viable real property shall be declared surplus by the report from the Realty Services Manager and by City Council.
- 3.2 Non-viable real property shall be declared surplus by the report from the Realty Services Manager and by City Council. In addition:
  - Notice of the proposed disposal of the non-viable real property is provided to all abutting owners.
  - An appraisal is obtained for the non-viable real property.
  - The disposal of the non-viable real property is at market value.

## **4. Appraisals and Surveys**

- 4.1 At least one (1) appraisal estimating the current market value of the property shall be obtained by a CRA or AACI appraiser. The appraiser must be in good standing with the Appraisal Institute of Canada. All appraisal reports shall remain confidential until the disposal is completed.
- 4.2 Notwithstanding Section 4.1, the requirement to obtain an appraisal shall not apply to the disposal of real property 0.3 metre or less in width, acquired in connection with an approval or decision under the *Planning Act*.
- 4.3 At least one (1) survey from a member of the Ontario Surveyors Association shall be obtained to provide the Property Identifier Number (PIN) for the City property and the exact real property to be disposed of. This Surveyor shall register the Reference Plan in the Provincial Registry Office once approved by the Land Management Co-ordinator.

## **5. Notice and Method of Proposed Disposal**

- 5.1 Prior to the disposal of any viable real property, notice of the proposed disposal shall be provided to the public by the following methods:
- Advertising the real property for disposal in the a local newspapers having general circulation in the City of Kawartha Lakes; identifying the location of the real property by referencing the municipal address or legal description, or both and a map of the general location; and stating the process for submission of an offer to purchase which would include the City of Kawartha Lakes Council approved Agreement of Purchase and Sale.
  - Advertising the real property for disposal on the City website
  - Posting notice on site
- 5.2 Prior to the disposal of any non-viable real property, written notice by regular mail shall be provided to all abutting owners.
- 5.3 In addition to the methods of providing notice described in Section 5.1 and 5.2, notice of the proposed disposal of viable real property shall include advertising on the City of Kawartha Lakes website.
- 5.4 Despite Sections 5.1 and 5.2, notice of the disposal of real property that has been vested in the City, pursuant to Part XI – Sale of Land for Tax Arrears – of the *Municipal Act*, 2001, shall, at a minimum, be by advertising on the City of Kawartha Lakes website.
- 5.5 No notice shall be required for real property that is re-purchased by an owner in accordance with Section 42 of the *Expropriations Act*.
- 5.6 No notice shall be required for real property that is re-purchased by an owner in accordance with a registered right of reversion.
- 5.7 A Real Estate Brokerage may be obtained through the City's Purchasing Policy to dispose of designated land of value.
- 5.8 The Realty Services Manager will advertise in the local publications as defined in 5.1 and on the City website.
- 5.9 The Realty Services Manager will contact the abutting land owners where appropriate, in writing, by regular mail.

## **Responsibilities**

**City Council** approval is required for the disposal of real property under City of Kawartha Lakes By-law 2010-118, as amended.

**Land Management Committee** must review and is required to: declare viable real property surplus and to declare non-viable real property surplus by report to City Council requesting the declaration of surplus and authorizing disposition.

**Realty Services Manager** shall ensure that, an appraisal and survey is obtained and public notice is given, in accordance with this Policy. The Realty Services Manager shall also oversee the Real Estate Brokerage(s) hired as stated in 5.6 above and shall bring all Agreements of Purchase and Sale obtained by the Brokerage to City Council or designate for approval.

**Office of the City Solicitor** is responsible for providing legal services and advice on real property transactions and has authority to undertake all legal proceedings required to complete a disposal of real property.

## **Marketing**

The Land Management Co-ordinator shall market the properties by:

Advertising the real property for disposal in the a local newspapers having general circulation in the City of Kawartha Lakes as defined in 5.1 above;

Maintaining a list of all viable real property which has been declared surplus by Council and are available for sale on the City of Kawartha Lakes website; and

Overseeing the Real Estate Brokerage(s) hired to dispose of designated land of value, as stated in 5.6 above, to co-ordinate the sale of a large number of properties.

## **Monitoring/Contraventions**

The Land Management Department and the Realty Services Manager shall monitor the application of this Policy to ensure that all Policy requirements are met.

## **References**

Disposal of Real Property Procedures

## **Legislative and Administrative Authorities**

City of Kawartha Lakes By-law 2010-118

City of Kawartha Lakes Official Plan

City of Kawartha Lakes Strategic Plan

Ontario Expropriations Act

Ontario Municipal Act, 2001

Ontario Heritage Act, 1990

Ontario Planning Act, 1990

## **Enquiries**

For more information on this Policy, contact:

Realty Services Manager

Realty Services Department