



# CITY OF LEDUC POLICY

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**POLICY NUMBER: 61.00:22**

**AUTHORITY:** DIRECTOR OF PLANNING AND ENGINEERING SERVICES      **ISSUE DATE:** 06/23/97  
**SUPERSEDES:** NEW REVISION #:

**AREA/CHAPTER:** DEPARTMENT OPERATIONS

**POLICY NAME/TITLE/SUBJECT:** SALE OF CITY-OWNED LAND PREVIOUSLY ADVERTISED

**DEPARTMENT/SECTION:** PLANNING & DEVELOPMENT

**RELEVANT LEGISLATIVE:** MGA, SECTION 22 AND 70

**RELEVANT BYLAW/RESOLUTION:** RESOLUTION 210/97/POLICY 61.00:21

**Policy Objective :**

To establish a guide for City Administration to follow upon receipt of an offer to purchase land that has previously been advertised under requirements of the Municipal Government Act and then acquired by the City. This land does not include redundant public utility lots and walkways governed under Policy 61.00:21.

Road closures and subsequent sale are governed under the Municipal Government Act, Section 22.

Sale of public park land or city-owned land for less than market value is governed under the Municipal Government Act, Section 70.

**Developed city-owned land that has not been previously advertised under requirements of the Municipal Government Act shall be referred to a local Realtor for sale under contract with the City.**

**Policy :**

**A. RECEIPT OF OFFER TO PURCHASE**

- 1) Upon receipt of an offer to purchase, a confidential appraisal will be undertaken to determine appraised market value.
- 2) A deposit of 20% by certified cheque, cash or money order, is to be included with the offer. The deposit will be refunded if the offer is not accepted. Upon acceptance of the offer by City Council, the deposit is non-refundable.



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- 3) The Planning and Development Department is responsible to receive and review offers before submitting them to Council.
- 4) A letter verifying receipt of the offer and deposit , and outlining the conditions of sale shall be forwarded from the Planning and Development Department to the purchaser. The Purchaser must agree to the conditions by endorsing this letter.
- 5) If the offer is determined to meet Council's objectives and the requirements of the Municipal Government Act, the Planning and Development Department will forward the offer to City Council with a recommendation.
- 6) Where land has been previously advertised, the land will be sold on a first acceptable bid basis. If two acceptable bids are received the same calendar day, both bids will be presented to Council.

## **B. BASIC CRITERIA FOR SALE**

- 1) In its review of an offer, the Department will take into consideration the amount of the offer in relation to the appraised value. If it is determined that the offer is not acceptable, the Department will inform the purchaser that the offer will not be forwarded to Council and propose that the purchaser review the offer.
  - 2) Market value is established by City Council. Under the Municipal Government Act, Section 70(1), the City must advertise city-owned land that is proposed to be sold for less than market value. Under Section 425(1) the City may dispose of tax forfeited land by selling it at a price that is close as reasonably possible to the market value of the parcel.
  - 3) The Purchaser is responsible for the construction and cost of storm water management and all utility connections to the proposed development. The City of Leduc will provide servicing information that is available through the current City records. The City of Leduc provides this information in good faith; however, makes no representation as to the accuracy or completeness of these findings and accepts no responsibility for any errors or damage to persons or property, whether direct or indirect, that may result from the use of this information.
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**C. CONSIDERATION OF OFFER BY CITY COUNCIL**

- 1) City Council will consider the offer, report and recommendation submitted by the Planning and Development Department.
- 2) If the offer is not accepted, the Planning and Development Department will notify the Purchaser of Council's decision.
- 3) If the offer is countered, the Planning and Development Department will notify the Purchaser and resubmit any further offers to City Council.
- 4) If the offer is accepted, the Planning and Development Department will forward a letter of acceptance outlining the closing date, remaining funds to be submitted, and conditions of sale.
- 5) If there is more than one offer on the same parcel before City Council, the Planning and Development Department will notify those that were not accepted and the deposit shall be returned.

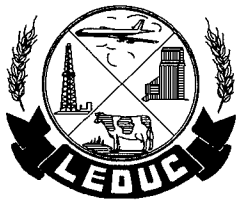
**D. WITHDRAWAL OF OFFER**

- 1) If a Purchaser withdraws an offer after Council has accepted the offer but prior to the closing date, the deposit is non-refundable.
- 2) If an offer to purchase is withdrawn after Council's acceptance, the City will advertise that the subject parcel is again available for sale by tender (Section H). If the land is not subsequently sold, it will be placed in the land reserve and sold on a first acceptable bid basis.

**E. CONDITIONS OF SALE**

The purchaser must sign the conditions of sale indicating agreement with the conditions prior to submitting the offer to Council.

- 1) The conditions of sale will include the following:
  - a) The purchaser has offered to purchase the above described property as is.
  - b) A [non-refundable after acceptance] deposit of \_\_\_\_\_ to be received immediately following acceptance of the offer. The balance of the



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purchase price of \_\_\_\_\_ to be forwarded on or before  
\_\_\_\_\_.

- c) The owner shall pay an off-site levy as per Bylaw 19-84 upon application to develop. For a commercial development the amount would be \$2,500.00 per acre. For an industrial development the amount would be \$3,000.00 per acre.
  - d) Pregrading of the site and required fill at owner's expense. Plans must be submitted upon application to develop and approved by the Engineering Services Department.
  - e) Water and sewer services from the mains as well as storm management is at the owner's expense. Approval must be obtained from the Engineering Services Department.
  - f) Arrangements for payment of the local improvement charges and property taxes, adjusted to closing date, are to be made with the City of Leduc Finance Department ten working days prior to the closing date of the sale.
  - g) The purchaser has inspected the property and agrees that the City of Leduc has not made any representation, warranty, collateral agreement or condition regarding the property or any adjacent lands or lands in close proximity to the property or otherwise which may in any way directly or indirectly affect the property or regarding the conditions of sale other than what is written in this letter.
  - h) The purchaser is responsible for any environmental audit that may be required.
  - i) The purchaser is responsible for registration fees incurred from the Land Titles Office and any resulting legal fees.
  - j) The owner is responsible for all other conditions of development approval under the Land Use Classification of a \_\_\_\_\_ District, including; landscaping, fencing, paved access/egress, and submission of security deposit to ensure conditions of development are completed. If the use is discretionary under the Land Use Classification, development approval is subject to a fourteen-day appeal period.
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**F. TRANSFER OF TITLE**

- 1) The Planning and Development Department shall complete the Land Titles Transfer Document.
- 2) Upon receipt of the balance of the funds and verification that arrangements have been made with the Finance Department for payment of property taxes and local improvements, the City shall endorse the Transfer Document.

If the purchaser has a Solicitor acting on his behalf, the Transfer Document may be forwarded to the Solicitors in Trust until receipt of the balance of the funds.

- 3) The Planning and Development Department shall forward the endorsed Transfer Document and Duplicate Certificate of Title to the Land Titles Office for registration.

**G. INFORMATION TO BE PROVIDED ON CITY-OWNED PARCELS**

- 1) Map indicating location of parcel and size, location and size of water, sewer, and storm mains.
- 2) Local improvements owing on the parcel obtained from the Finance Department.
- 3) Land Use Classification and permitted and discretionary uses.
- 4) Development requirements under the City's Land Use Bylaw.
- 5) Property tax information obtained from the Finance Department.

**H. TENDER PROCESS**

- 1) Advertising
    - a) The subject parcel will be advertised once a week in two consecutive weeks in a local newspaper.
    - b) The ad shall include a map of the area indicating the subject parcel, legal description, street address, land use classification, closing date and time, and other pertinent information as deemed necessary.
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## 2) Tender Packages

- a) Tender packages are prepared by the Planning and Development Department.
- b) Tender packages generally consist of the following, but not limited to:
  - (1) Covering letter including definition of the land use classification and general comments on the subject area and the City of Leduc.
  - (2) Terms and Conditions of the Offer.
  - (3) Conditions of sale.
  - (4) Schedule consisting of the property information, including the Title Search.
  - (5) Schedule consisting of the Land Use District regulations.

## 3) Terms and Conditions of the Offer

Includes the following, but not limited to:

- a) The offer to purchase shall be submitted to the City of Leduc prior to the closing date and time in a sealed envelope and clearly identified on the outside of the envelope.
  - b) Offers to purchase received after the closing of the tender will not be considered.
  - c) There will be a public opening of the tenders to be held at the City of Leduc, Civic Centre.
  - d) The City will hold a reserve on the lands.
  - e) The Planning and Development Department will evaluate the offers and recommend to Council the one which most clearly meets the City's objectives in terms of price and risk. This decision will be made solely on the basis of the City's perception of value, risk and probability of sale closing.
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- f) Should the City not receive an acceptable offer to purchase or should a sale not conclude, the land will be placed in the land reserve and sold on a first acceptable bid basis.
  - g) A deposit of 20% of the offer by certified cheque, bank draft, or cash shall be submitted with the offer to purchase. The successful candidate's deposit will be non-refundable.
  - h) Should the City not receive an acceptable offer to purchase relative to the reserve bid, the City, through the Planning and Development Department, reserves the right to negotiate with the highest tender, or subsequent highest tenders, on an agreeable price.
  - i) Sale does not exempt developers from the City's development or redevelopment costs.
  - j) The purchaser is responsible for any environmental audit that he/she may require.
  - k) The purchaser is responsible for all other conditions of development approval under the City's Land Use Bylaw and any other legislation.
  - l) The City shall not be held responsible for any errors, omissions, or discrepancies found in the Tender Package. It shall be the responsibility of the prospective purchaser to ensure the accuracy and completeness of all information to his or her own satisfaction.
  - m) The City makes no warranties or representations, either expressed or implied, with respect to the subject property.
  - n) The City reserves the right to reject any or all offers and to further negotiate with any applicant. The highest or any other proposal may not necessarily be considered. The sale of the subject property on the terms and conditions as agreed to by the City is expressly subject to and conditional upon approval by the Director of Planning and Engineering Services and/or City Council, as required.
  - o) The City reserves the right to withdraw the offering at its sole discretion.
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- 4) Processing and Awarding of the Tender
- a) Following the close and public opening of tenders, all bids received are reviewed by the Planning and Development Department.
  - b) Tenders received are listed with appropriate comments and recommendation(s).
  - c) The Planning and Development Department submits the bids to Council with a report and recommendation.
  - d) Upon approval by Council, the Planning and Development Department will forward a letter of acceptance outlining the closing date, remaining funds to be submitted, and conditions of sale.

**AUTHORITY'S SIGNATURE:**

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