

POLICY 25-02

LAND SALES

DATE OF ADOPTION:	May 20, 2025	MOTION NUMBER:	25/05/69
DATE OF AMENDMENT:		DEPARTMENT:	Economic Development

PURPOSE

To establish the general guidelines to be followed by administration in pursuing the sale or responding to requests for the direct purchase of Town of Vermilion owned lands.

OBJECTIVE

To ensure that the sale of Town of Vermilion owned land is sold at fair, or greater than fair, market value utilizing a consistent and competitive process thereby achieving the highest economic and social advantage.

DEFINITIONS

Administration is the administrative Employees of the Town of Vermilion.

Appraisal is the process of estimating an unbiased assessment of a property's value, prepared by a professional appraiser.

CAO is the Chief Administrative Officer for the Town of Vermilion.

Director is a person employed by the Town of Vermilion who is in charge of an activity, department or organization, as delegated by the CAO.

Economic Development Committee is the committee comprised of members of Administration and Members of Council. Members of Council are appointed at the annual organizational meeting of Council. The committee adheres to all applicable legislation, including the Municipal Government Act (MGA) RSA 2000, c M-26.

Employee is an employee of the Town of Vermilion.

Improvements is a permanent structure, fixture, or building that enhances a property's value.

Land is property in a raw or developed state, owned by the Town of Vermilion.

Land Division Land is industrial land available for direct purchase.

Listing Price is the value assigned by the Economic Development Committee, following the Municipal Government Act (MGA) RSA 2000, c M-26.

Manager is a person employed by the Town of Vermilion who is in charge of an activity, department or organization, as delegated by the CAO.

Member of Council or Councillor is an individual elected to office pursuant to the Municipal Government Act (MGA) who serves as an elected official for the Town of Vermilion.

Parcel or Lot is any lot, block, or other area into which real property is subdivided. It is Land defined by a survey plan, according to one of three basic categories of legal description: primary, subdivision, or right-of-way and has been registered in a Land Titles office.

Reserve Price is the minimum price for Land that Administration will accept from a buyer.

Town is the Town of Vermilion in the Province of Alberta.

Town Business is professional services rendered for or on behalf of the Town of Vermilion.

SCOPE

This policy applies to All Members of Council and/or all Employees of the Town of Vermilion.

TASK	TITLE OR DEPARTMENT OF PERSON RESPONSIBLE
APPROVAL OF POLICY & AMENDMENTS	Council
HANDLING INQUIRIES & COMMUNICATING POLICY	Economic Development Manager
MONITORING REVIEWS & IMPLEMENTATION	Chief Administrative Officer

GUIDING PRINCIPLES

- The Economic Development Committee shall establish all Listing Prices following the Municipal Government Act RSA 2000, c M-26 legislation. Listing Prices shall then be brought forward to Council for approval.
- All Land shall be sold for the Listing Price unless:

- The sale price is greater than the Listing Price;
 - The negotiated price meets the criteria outlined in this policy, follows the established procedures for the Land sale negotiation process, maintains a minimum profit margin above the development (book) cost, and receives approval from the Chief Administrative Officer;
 - Is a Land Division Land lease, with an exercise of a purchase option. The lessee shall be required to enter into the Town's standard lease agreement, and all applicable terms and conditions at the time.
- The following situations may be negotiated and approved by the Chief Administrative Officer:
 - a business interest proposes a development for which a serviced site currently does not exist, and the configuration or size is not typically available for public tender;
 - a business interest is seeking a site that requires combining a number of adjacent or contiguous sites due to specific configuration or size;
 - in situations involving extending an option to purchase to adjacent existing owners for the direct acquisition of lots, facilitating expansion before public sale;
 - where direct sales would create motivation for sale or relocation to a new form of Land use site;
 - it is in the Town's interest to initiate a property purchase, exchanging it with a suitable comparable property in another location;
 - a remanent parcel is not needed by the Town and could be sold to an adjacent property owner;
 - it is in the Town's interest to sell an unserviced parcel of Land or engage in a Land exchange with a developer;
 - a utility company or government agency requires a site for a specific purpose;
 - a registered non-profit corporation seeks a site to develop independent living.
- The Chief Administrative Officer may approve all sales of Land except for the following:
 - Land with Improvements shall only be sold by a resolution of Council;
 - if the minimum reserve price is not received or offered on Land for sale at public auction, the Land shall not be sold unless approved by a resolution of Council;
 - Administration may impose limitations, terms, or conditions on any sale as necessary, in their sole discretion;
 - the sale of the following shall be subject to approval by Council:
 - a road right-of-way;
 - a Municipal Reserve (MR);
 - a Municipal and School Reserve (MSR);

- a Community Services Reserve (CSR); or
 - an Environmental Reserve (ER) parcel.
- Administration will determine the best method of selling Land based on demand.
- There shall be seven (7) methods of selling Land:
 - Open Market (standard terms);
 - Open Market (with criteria);
 - Public Tender;
 - Broker or Realtor;
 - Public Auction;
 - Industrial Land Lease with an exercise of purchase option;
 - Residential Builder Incentive Program.
- Net Proceeds from the sale of Land Division Land shall be allocated to the Sale of Town Land and Building Reserve.
- Net Proceeds from the sale of Municipal Reserves (MR), Municipal and School Reserves (MSR), Community Services Reserves (CSR), or Environmental Reserves (ER) shall be allocated to the Cash in Lieu of Municipal Reserve Reserve.
- Consideration of other Land shall follow the requirements of legislation.
- All Land offered for sale should have an appraisal completed based on the principle of market value as estimated by an independent and accredited appraiser. Appraisals for the purposes of determining market value are valid for a period of two (2) years.
- Lot Returns:
 - In the event a purchaser wishes to return Land to the Town, the purchaser shall:
 - inform the Town of their intent to do so in writing within fourteen (14) days from the sale agreement date; and
 - in the event of cancellation, rent for the right of possession is charged for the time the purchaser has held the lot. The rent is one percent (1%) of the purchase price of the lot, plus GST and a processing fee of five hundred dollars (\$500.00). The above noted amounts are deducted from the down payment with any remaining portion refunded or charged. Cancellation is not allowed if the price of the lot was negotiated.

ELIGIBILITY

- Should a bid or offer be submitted through a Broker or Realtor, no commission is paid by the Town to the Broker or Realtor, unless previously negotiated and agreed to in writing.
- The Town reserves the right to establish deposits for offers to purchase Land in accordance with this policy and subject to change from time to time.
- The Town reserves the right to impose a requirement to develop Land within a specified time frame with an option to transfer the Land back to the Town if development is not undertaken within the specified time frame.
- All prices are subject to GST.

ROLES & RESPONSIBILITIES

- The Chief Administrative Officer or delegate shall advise Council of all Land sales in accordance with this policy.