

PROPERTY MANAGEMENT POLICIES

Adopted by Council on September 19th, 2000

Amendments:

February 20th, 2001

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Introduction

The Cape Breton Regional Municipality intends to take a more proactive approach to property management. This overall goal would:

- inventory municipally owned land in cooperation with other departments to assess the usefulness of property which may be declared surplus and deemed marketable
- identify land, in cooperation with other departments, which should be a priority for acquisition for capital works, watershed protection or other municipal priorities.
- prioritize a list of surplus properties now owned by CBRM to be disposed of using some or all of the following methods:

- direct sale on the open market
- sale by public tender
- sale by listing agents
- sale by proposal call
- sale by land exchange
- direct sale to abutting owners
- unsolicited proposals
- sale under Section 51 of the MGA for non-profit organizations

Prior to being declared a surplus property for sale and approved by the Corporate Services Committee, all lots will be evaluated by the appropriate CBRM departments' to ensure that the properties are in fact surplus and nonessential to CBRM. Surplus lots for sale are then categorized under a particular sales disposal method(s). The Chief Administrative Officer, or his designate will then be authorized to approve the sale of a surplus property in accordance with a procedure for each disposal method. In most instances, surplus properties will be listed by advertisement in the local newspaper, and 'For Sale' signs placed on the individual properties.

Statement Of Policy

1. In taking a more proactive approach to a CBRM Land Management Program, it is the policy of Council to:
 - incorporate an on going inventory of municipally owned land in cooperation with other departments to assess the usefulness of property holdings which may be declared surplus and deemed a marketable commodity
 - identify land acquisition in cooperation with other departments for acquisition for capital works, watershed protection or other municipal priorities.
 - Prioritize a list of surplus properties now owned by CBRM to be disposed of using various property disposal methods.

2. It is a policy of Council to sell surplus property in a fair and impartial manner, which takes into account the highest financial return to CBRM balanced with economic and social development objectives of CBRM.
3. It is a policy of Council that the Chief Administrative Officer, or his designate, be authorized to approve the sale of a surplus property in accordance with recognized procedures for a list of property disposal methods, when all of the following conditions are met:
 - the property has been declared surplus, as approved by the Corporate Services Committee;
 - the property is not sold for less than market value (***as determined by the Municipal Government Act regarding CBRM property**); and
 - the value of the property is less than \$100,000.
4. In order to have a diverse strategy for the disposal of surplus properties owned by CBRM, it is a policy of Council to use one or all of the following property disposal methods:

4.1 **Direct Sale On The Open Market**

Surplus properties with high market potential shall be disposed of by direct sale. Direct sale on the open market shall involve the listing of these properties at a predetermined price, and advertised in the local newspaper by CBRM. Offers to purchase at the specified price shall be received in writing, and accepted on a first come first serve basis. Pricing shall be set at the assessed value of property, as specified by the most current Provincial Assessment Department records. However, the prospective buyer will have the option of presenting a current appraisal, as opposed to the assessed value.

4.2 **Sale By Public Tender**

This method of divesting property is a select way of attracting interest in surplus properties that may not otherwise have high demand or value but marketable none the less. To avoid speculation, all building lots shall carry a time limit for construction to be completed, not in excess of 18 months, along with an option for the Cape Breton Regional Municipality to repurchase at the original purchase price, should the property be offered for resale. Properties of this status shall be listed by advertisement in the local newspaper.

4.3 Sale By Listing Agent

Building lots that do not achieve a satisfactory sale by a public tender process, or surplus properties which have buildings located on them shall be submitted for sale by a Real Estate Agency. Any or all Real Estate Agents are invited to work on CBRM's behalf for the selling of surplus properties. (Amended Feb. 20th, 2001)

4.4 Sale By Proposal Call

Properties identified as having special development potential shall be the subject of an approval process before a property is sold. As a general rule, the sale of surplus properties listed under this disposal method would be of a commercial or industrial nature. A prospective purchaser shall be required to provide a proposal that has a potentially viable economic impact on the municipality in terms of structure(s) erected and/or the number of people employed. An independent appraiser should determine the value of the property, but property assessment values may also be used if deemed to be within an acceptable price range. The final selling price of the property is negotiable, and may be sold for less than market value (***as determined by the Municipal Government Act regarding CBRM property**). Approval of any proposal shall be based on staff recommendations, and brought back to the Corporate Services Committee for acceptance.

4.5 Sale By Land Exchange

Wherever possible, direct land exchange of surplus properties shall be employed as an alternative method for the acquisition of necessary lands to accomplish the needs of capital works projects, watershed protection, street widening, etc.

4.6 Direct Sale To Abutting Owner(s)

This method of disposal shall be used in situations where surplus property has no apparent value to anyone but the abutting property owner, or owners. Generally, this particular disposal method will be used to dispose of properties which do not meet minimum development standards. There may be times when more than one abutting property owner will have an interest in acquiring the adjoining surplus property for consolidation. In these situations, the property shall be sold to the highest bidder, unless a settlement is reached by all parties involved. Given limited demand, Council shall consider the sale of properties in these cases at less than actual market value (***as determined by the Municipal Government Act regarding CBRM property**).

4.7 Unsolicited Proposals

There are times when the Municipality will receive requests to purchase properties which have yet to be declared surplus for public sale. In these situations, once the proposed property is reviewed and deemed surplus, it can be sold at the assessed value listed by the most current Provincial Assessment Department records. The prospective buyer will have the option of presenting a current appraisal if the assessed value is brought into question. The costs of a current appraisal, survey, legal fees, or any other necessary processing fees to purchase any property shall be the responsibility of the purchaser. A public tender process shall be initiated if the purchaser offers to buy the property for less than the assessed or appraised market value (***as determined by the Municipal Government Act regarding CBRM property**).

4.8 Sale To Non-profit Organizations

Section 51 of the Municipal Government Act enables the municipality to sell or lease property at a price less than market value to a non-profit organization if Council considers the organization to carry on an activity that is beneficial to the municipality. The procedures for this process to occur includes a public hearing respecting the sale of property if more than ten thousand dollars less than market value, and a resolution of council passed by at least two-thirds majority of the council present and voting.

General Policy Requirements

5.1 Requirement of Purchaser

Any successful tender or approved purchaser will be required to provide the Cape Breton Regional Municipality with the following:

- a) certification of Title signed by a lawyer in good standing with the Nova Scotia Barristers Society;
- b) all necessary survey or subdivision plans;
- c) all necessary processing charges, i.e., G.S.T., Deed Transfer Tax, Registry of Deeds and Administration Fees;
- d) signed schedule of any applicable building restrictions;
- e) where requested to purchase, an appraisal prepared by a licensed appraiser selected by the Cape Breton Regional Municipality if deemed necessary; and
- f) any advertising cost that may result from the tendering procedure over and above the original surplus property listing(s) by CBRM.

5.2 Deposit On Tender

Non-refundable to the successful bidder.
Refundable to the unsuccessful bidder.

5.3 Exceptions To Policy

Lands such as subdivision owned by the Cape Breton Regional Municipality or Industrial Park Lands, which have established selling prices or pricing strategy which has been previously approved by Council.

5.4 No Response To Tender

Where no offers are received at the time of the Tender closing, the Cape Breton Regional Municipality will receive sealed offers for thirty days. Where more than one offer has been received, the higher offer will prevail provided that it is not below a fair market value (***as determined by the Municipal Government Act regarding CBRM property**).

5.5 Time Limits For Construction

- a) the grantee for self, heirs, administrators, executors, and assigns, covenants and agree to start erection of a residential dwelling on the said lands purchased within three hundred and sixty five (365) days of the date of closing and to complete such building within five hundred and forty eight (548) days of starting construction unless previous written authorization to delay such construction is received from CBRM.

NOTE: (***as determined by the Municipal Government Act regarding CBRM property**) where shown, indicates that changes to the MGA would be required before we could sell surplus property for less than market value.