



POLICY

COUNCIL-01-007

MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Disposal of Surplus Real Property

Creation Date: June 30, 2015
Approval Date: August 11, 2015
Revision Date:

Policy Category: Council
Next Review Date: August 2017
Replaces:

1. Purpose

- a) To establish a process to determine the long term use of real property held by West Hants and when real property is surplus
- b) To declare and divest of these assets of the Municipality in an orderly and transparent manner

2. Definitions

In this policy:

- a) "Appraisal" means a written estimate of current market value conducted by an independent, accredited appraiser
- b) "Asset" includes real property held by the Municipality
- c) "Municipality" refers to the Municipality of the District of West Hants
- d) "Government" means the Government of Canada, Government of the Province of Nova Scotia, a corporation that is an agent of Her Majesty in the Right of Canada or the Province, and a municipal unit.
- e) "Market value" means the amount that real property might be expected to realize if sold in the open market by a willing seller to a willing buyer
- r) "Surplus real property" means property which the Municipality does not require ownership of to meet its current or future program or operational requirements

3. Declaration of Surplus Status

- a) In all instances the Chief Administrative Officer shall ensure that the disposal of Municipal assets is appropriately documented and that such records are maintained as per the Municipality`s Record Management Policy.
- b) The Chief Administrative Officer shall identify to Council all real property which is recommended as surplus to the operations of the municipality or no longer needed for other stated purposes.



4. Disposal Criteria:

Real property is considered surplus when it no longer supports a business need of the municipality or the community, as recommended by the Chief Administrative Officer, and adopted by Council at a regularly called meeting.

5. Real Property Review and Declaration of Surplus

- a) The disposal of real property is normally done by public tender or some other form of public solicitation bid. Land and buildings will not normally be available to non-profit groups, except in circumstances where there is clear benefit to the local community and the non-profit group can adequately demonstrate fiscal viability to operate and capitalize the asset on an on-going basis.
- b) The Municipality will prepare an inventory of all real property held, noting any improvements to the land such as buildings and other infrastructure and review the usability of the property on a regular basis. The review process will include circulation of the inventory to each department who will acknowledge the continued usability of the property for current or future use.
- c) Once all departments have signed off on the inventory, the final list will be filed with the Chief Administrative Officer who will review and confirm its status.
- d) Where real property has been determined by municipal departments to be surplus to its operation, the Chief Administrative Officer will categorize the nature of the inventory under the following categories and prepare a surplus property report to Council with a recommendation on the categorizing and preferred method of disposal:
 1. "Economic development" –properties which ought to be sold to
 - i) maximize use of value,



- ii) achieve the attraction of targeted industries and employment or the regeneration of neighbourhoods,
- iii) advance development opportunities,
- iv) generate financial return to the municipality

These properties must be sold at market value.

- 2. "Community Interest" – properties known to have potential for community use, in particular
 - i) if there has been a prior community or institutional use of the property
 - ii) if by location or scarcity of available property in the local community the need would reasonably arise

These properties may be sold at less-than market value to a non-profit organization where Council considers the activities of the organization to be beneficial to the municipality.

- 3. "Ordinary sale" include properties of an ordinary of routine nature, which no longer have a municipal purpose. These properties must be sold at market value.
- 4. "Remnant sale" includes properties which remain from subdivided lands which
 - i) by nature of their size or dimensions have limited or no reasonable use;
 - ii) but may have utility for abutting property owners and can be disposed under s.51A of the *Municipal Government Act*, allowing Council to set a price that is less than market value.
- 5. "Extraordinary properties" are properties having an historic or legal distinction which include conditions or extraordinary processes with respect to their preservation or disposal including parks, which are held in trust, or upon condition, or where the Municipality is required to reserve its' interest or the interest is constrained such as and parkland acquired through the subdivision process.



These properties may not be sold unless and except as provided for in the determining trust agreement or legislation.

6. "Intergovernmental Transfer" properties are requested by another level of government which will be used for a public purpose.

These properties must be sold or the Municipality may accept a reciprocal transfer for and value equal to the market value of the property.

- e) Council may approve the recommendations, may remove any property from any list, may move any property from one list to another list, and may declare the lists, or any of them, surplus to the municipality's requirements.
- f) Once Council has confirmed the categorization of the property and declared the property surplus, the Chief Administrative Officer will proceed to dispose of the properties as determined by category:
- i) Ordinary Properties
 - a) Placed on the market and sold by one of the following methods.
 - i) Listing contracts with licensed real estate brokers
 - ii) Public tenders
 - iii) Proposal call methods
 - b) Determination of achieving market value will be supported by appraisal or through the receipt of sufficient offers over an appropriate exposure period.
 - c) Approval of final conveyance shall be under delegated authority to the Chief Administrative Officer or by approval of Council as required, at a regularly called meeting of Council.
 - ii) Economic Development Properties
 - a) May be disposed of through individually recommended processes and may include partnership models between private developers and non-profits and municipally defined public use or service delivery components.



- iii) Remnant Properties
 - a) The Chief Administrative Officer, or designate, will negotiate the sale of remnant properties with any interested abutter of such lands and at such a price as supported by appraisal or as set by Council directly or by policy adopted by Council from time to time.

- iv) Extraordinary Properties
 - a) These properties will be dealt with as required by legislation, common law or contract which governs any disposal by the Municipality.

- v) Intergovernmental Transfer Properties
 - a) These properties will be dealt with as directed by Council.

- vi) Community Interest Properties
 - a) Properties with this potential will be advertised by staff, following a public information meeting held in the area of the property.
 - b) The advertising opportunity to submit proposals will provide 90 days for interested non-profit organizations to submit a written proposal for the use of the property. Submissions should include:
 - i) The name, composition and legal status of the group, its purpose and management structure, including officers
 - ii) The nature of the activities proposed
 - iii) Financial statement of the past three years of operations including balance sheet
 - iv) A business plan for the first five years
 - v) A clear statement of the terms the group is prepared to offer for the purchase or lease of the property
 - c) All submissions received on or before the last day for submissions will be evaluated by a cross-disciplinary staff committee for content compliance, viability, compensation and benefit to the Municipality. Scoring criteria will be developed and publically available at the time the advertisement is issued.



- d) The Chief Administrative Officer will prepare a report to Council outlining the results of the staff evaluation, the current market value of the property and include the advisability of a Buy-Back Agreement and associated terms. The Chief Administrative Officer will not provide a recommendation on a preferred non-profit organization.
- e) Where Council proposes to sell property at less-than-market when the value of the property exceeds \$10,000 a public hearing must be held prior to discussion of the matter, respecting the sale, as required under s.51 of the *Municipal Government Act*.
- f) Following the public hearing on the less-than market value sale, Council will consider the following:
 - i) Does all, one or none of the non-profit applicants' appear to be carrying on an activity which is beneficial to the Municipality?
 - ii) How does disposing of the asset meet the planning strategies of the area of the property under the MPS?
 - iii) Does the non-profit proposal provide a cost saving benefit to the Municipality?
 - iv) What are the consequences, beneficial or otherwise, to the community or the Municipality as a whole? Have these been stated in the proposal?
 - v) How does the beneficial consideration outlined in the proposal measure against the benefit of selling the property at market value?
 - vi) Should a buy-back agreement be a condition of the sale?
- g) As per the requirements of the *Municipal Government Act, s.51*, a two-thirds majority of Council present and voting is required to pass a resolution of approval for sale for less-than market value.
- h) Should Council reject any or all non-profit organization's submissions to purchase at less than market, Council may direct the Chief Administrative Officer to proceed to sell the property at market value.

6. Appraisals



POLICY

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At least one appraisal of the current market value will be acquired for any Ordinary, Community Interest, Economic Development or Intergovernmental Transfer property as part of the disposal process. Appraisals will remain confidential until the sale of the property is completed.

I, Rhonda N. Brown, Municipal Clerk of the Municipality of the District of West Hants, the Province of Nova Scotia, do hereby certify that this is a true copy of the policy as adopted by the Council of the Municipality of the District of West Hants at a meeting duly called and held on the **11th** day of **August, 2015**.

R.N. Brown
Municipal Clerk