



Report of the Commissioner of Corporate Services
Sale and Other Disposition of Regional Lands Policy

1. Recommendation

Council approve the revised Sale and Other Disposition of Regional Lands Policy as attached in Attachment 1.

2. Purpose

Section 270 of the *Municipal Act, 2001* requires the Region adopt and maintain a policy to govern the sale and disposition of land.

This report recommends Council approve the revised Sale and Other Disposition of Regional Lands Policy (the “Policy”). A copy of the proposed Policy is included as Attachment 1.

Key Points:

- The Region’s Sale and Other Disposition of Lands Policy was adopted by Council in 1997 and updated in 2011 and 2018
- Revisions to the Policy are recommended for purposes of clarification, process improvement, and to effectively reflect industry standards

3. Background

The Region adopted and maintains a Policy governing the sale of Regional lands

Council originally adopted the Sale and Disposition of Land Policy on April 24, 1997. On [November 17, 2011](#), Council approved an update to the Policy to reflect an increase in the authority of the Chief Administrative Officer in accordance with Bylaw 2011-58 (Execution of Documents). Substantial revisions were made to the Policy and approved by Council on [April 19, 2018](#). Revisions were required in response to an increase in inquiries regarding Region-owned land which led to an

increase in activity in negotiations and dispositions of land. It was necessary to update the Policy to ensure it effectively addressed processes and authorities required to facilitate transactions.

Proposed revisions to the existing Policy will provide clarity of processes

Since 2018, staff have facilitated 46 dispositions of land in accordance with the Policy. As agreements progressed, areas of improvement to the existing Policy were identified. Clarification had been sought by staff primarily regarding processes and delegated authorities. Proposed revisions to the Policy are intended to clarify procedures for ease of reference and understanding, and to allow the Region to align its practices with industry standards while maintaining consistency and transparency in conducting Region business.

4. Analysis

Procedures set out in the existing Policy still apply, with some proposed revisions

Consistent with the 2018 version of the Policy, the proposed Policy includes the same eight steps to complete a disposition, from identifying the property to reporting the disposition upon closing. Attachment 1 to this report is a copy of the proposed policy and Appendix A is a table summarizing the proposed revisions to the existing Policy.

Each proposed item of revision is noted in grey highlighted text in the copy of the proposed Policy in Attachment 1, and the corresponding explanation is in the table in Appendix A.

Other than minor amendments to text and updates to the Responsibilities and Reference sections of the Policy, no other revisions are proposed.

Threshold for the requirement to obtain an independent appraisal is proposed to be increased

The value threshold for the requirement to obtain an independent appraisal in the current Policy is \$100,000. The proposed increase to the threshold, to \$250,000, is reflective of increasing property values. Staff responsible for negotiating dispositions are qualified to complete property valuations up to \$250,000. When deemed appropriate by the Director, Property Services, an independent appraisal for lands valued at \$250,000 or less may still be required.

Flexibility is needed regarding timing of negotiating a transaction versus obtaining Council approval

The existing policy provides that staff will negotiate a transaction, then obtain Council approval if the transaction is not within the approving authority of the Chief Administrative Officer. A statement is included in the proposed Policy that Council approval may be obtained in advance of negotiating a transaction for lands having general market demand. This will allow staff to facilitate dispositions of lands having general market demand in a manner that is more reflective of industry standards.

In typical real estate transactions, the offer and acceptance process is usually completed or terminated within 24 to 48 hours after submitting an offer. By obtaining Council approval to complete the disposition prior to marketing the Property based on an estimate of the property value, the sale process will align with industry standards.

The proposed Policy clarifies that the Director, Property Services may consider offers other than the highest offer

Offers to acquire lands frequently include conditions to the transaction in addition to the offer of compensation. Instances have occurred where the highest offer submitted by a prospective purchaser includes a condition that is unacceptable to the Region. Examples may include a requirement for the Region to guarantee the environmental condition of the lands, or an unfavourable closing date. Staff endeavours to negotiate the revision or removal of such terms.

In the event negotiations do not proceed, it may be favourable to terminate negotiations and commence negotiations with another party whose offer is below that of the original party but includes conditions that are acceptable to the Region.

The intent of the existing Policy is to provide that the best offer may not constitute the highest offer for the lands. The revised wording in the proposed Policy clarifies this intent.

Items in the Policy were revised for administrative clarification

The following revisions have been incorporated into the proposed Policy for clarification or to reflect current industry practices:

- Definitions were revised or added to clarify procedures and reduce ambiguity
- Clarification that Director of Property Services maintains the inventory of all Region-owned lands
- Public tender or auction option has been removed and listing land for sale using a marketing service to list the property on the Multiple Listing Service (MLS) has been added to the Policy
- Reference to Chief Administrative Officer's authorization limit of \$500,000 has been removed and replaced with the threshold authorized by Delegation Bylaw 2023-31
- Wording regarding how the disposition is reported has been revised to reflect requirements by Controllership

5. Financial Considerations

The updated Policy will ensure that disposition of lands is conducted in a manner that maximizes the value received for the lands and minimizes any risks to the Region.

6. Local Impact

Where appropriate, other levels of government and public authorities will be offered the opportunity to acquire the lands in furtherance of their public purposes.

7. Conclusion

The existing Sale and Other Disposition of Regional Lands Policy establishes a decision-making framework for disposition of lands that are no longer required by the Region. The proposed revisions are intended to clarify and improve existing processes and reflect industry practices while maintaining the integrity of the existing process.

For more information on this report, please contact Michael Shatil, Director, Property Services at 1-877-464-9675 ext. 71684. Accessible formats or communication supports are available upon request.



Recommended by:

Dino Basso

Commissioner of Corporate Services



Approved for Submission:

Erin Mahoney

Chief Administrative Officer

October 27, 2023

#15648520

Appendix A – Summary of Proposed Policy Changes

Attachment 1 - Draft Sale and Other Disposition of Regional Lands Policy (15759713)

Sale and Other Disposition of Regional Lands Policy

Summary of Proposed Policy Revisions

AREAS OF SUBSTANTIVE REVISION	
Topic	Policy Section/Page in Attachment 1 & Proposed Policy Provisions
Value threshold to obtain an independent appraisal	<p>Step 3 (Highlighted as Item #3 on p. 9) Increases the threshold at which an independent appraisal of the lands is required from \$100,000 to \$250,000 to reflect increasing property values</p>
Council approval of transactions	<p>Step 6 (Highlighted as Item #5 on p. 10) Council approval to sell lands with general market demand has often been obtained after an offer to buy the lands has been received by the Region. Recently staff has been seeking Council's authority to sell lands in advance of receiving an offer to purchase the lands. Council approval is subject to receiving an offer not less than a value authorized by Council.</p> <p>This revision embeds the option of obtaining the pre-approval of Council to sell lands prior to receiving an offer at the value authorized by Council. Obtaining such pre-approval provides flexibility when negotiating a transaction allowing for the timely conclusion of negotiations in a manner that is more reflective of industry standards and secures the sale price in a market which may fluctuate</p>
Accepting offers other than the highest offer	<p>Step 7 (Highlighted as Item #6 on p. 11) Existing Policy provides that the Director, Property Services may negotiate the best offer achievable having regard to its terms and conditions.</p> <p>Revision clarifies the existing intent that Director, Property Services may accept offers other than the highest offer of compensation recognizing that the highest offer of compensation may not be the best offer achievable, including where the offer includes terms and conditions unfavourable to the Region</p>

AREAS OF ADMINISTRATIVE CLARIFICATION	
Topic	Policy Section/Page in Attachment 1 & Proposed Policy Provisions
Definitions	<p>Highlighted as Item #1 on pp. 2-3 Definitions of Appraisal, Valuation, and Value were revised or added to clarify the circumstances in which an independent appraisal is required or, alternatively, a staff valuation is sufficient</p>

AREAS OF ADMINISTRATIVE CLARIFICATION	
Topic	Policy Section/Page in Attachment 1 & Proposed Policy Provisions
	Other definitions, including Limited Market Lands, Surplus Lands, and Net Proceeds were added to provide certainty as to the meaning of these terms which are currently used, but not defined, in the Policy
Land Inventory Management	Step 1 (Highlighted as Item #2 on p. 5) States that the Director, Property Services maintains an inventory of all Region-owned lands, including lands that have not been identified as having an immediate or future need
Marketing lands for disposition	Step 6 (Highlighted as Item #4 on pp. 10-11) Public tender as a mechanism to offer lands for sale has been removed as it is no longer a common approach Listing land for sale using a marketing service to list the property on the Multiple Listing Service (MLS) has been added to the Policy as it has become a commonly used tool in the real estate industry
Authority to dispose	Step 7 (Highlighted as Item 7 on p. 11) Policy refers to delegated limit of the Chief Administrative Officer to accept an offer as being \$500,000. This reflects the current limits set out in the Delegation Bylaw (Bylaw 2023-31). To eliminate ambiguity that may result from any future revisions to the limit set out in the Delegation Bylaw, the reference to \$500,000 has been amended to refer to the threshold authorized by the Delegation Bylaw (currently Bylaw 2023-31) rather than a set dollar value
Reporting the disposition	Step 8 (Highlighted as Item #8 on p. 12) Clarifies that net proceeds realized from disposition of land in excess of budgeted amounts only will be allocated in accordance with the Surplus Management Policy