

MUNICIPALITY OF BIFROST-RIVERTON

POLICY & PROCEDURES MANUAL Council Disposal of Surplus Land

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1. PREAMBLE

Whereas Municipal Policy 2020-04 Purchasing and Procurement, Section 11, introduced a process for disposing of surplus capital assets, but the Council requires a standalone policy for surplus land.

The purpose of the Disposal of Surplus Land Policy is to dispose of surplus land in a fair, legally compliant and impartial manner, which takes into account the highest financial return to the Municipality of Bifrost-Riverton balanced with economic and community development opportunities.

2. OBJECTIVES

The objectives of the Disposal of Surplus of Land Policy are to:

1. Provide a proactive Asset Management Program for the Municipality of Bifrost-Riverton that incorporates an ongoing inventory of Municipally-owned land which is declared surplus and deemed a marketable commodity.
2. Prioritize a list of surplus land now owned by the Municipality of Bifrost-Riverton to be disposed of using methods as determined by Council
3. Ensure surplus land is disposed of in a fair, legally compliant and impartial manner.

3. POLICY

It is a policy of the Council of the Municipality of Bifrost-Riverton that land deemed surplus by motion of Council is to be disposed of in accordance with disposal methods in this policy and as determined by Council.

4. POLICY STATEMENTS

1.1 Powers of Municipality to Acquire Land

There are a number of mechanisms available to municipalities to acquire land:

- a) A municipality may for municipal purposes acquire, hold, mortgage and dispose of land, improvements and personal land, or an interest in land, improvements and personal land. (The Municipal Act, C.C.S.M. cap M225, Section 250(2)(a))
- b) The power of a municipality referred to in clause 250(2)(a) to acquire land, improvements and personal land includes: (a) acquisition by purchase, lease, gift or otherwise, on any terms or conditions acceptable to the council; (b) acquisition for any purpose, including resale; (c) acquisition of options on land; and (d) acquisition of land and improvements outside the municipality. (TMA Section 251(1))
- c) Land acquired in another municipality - Where a municipality acquires land in another municipality, the land remains in all respects subject to the jurisdiction of the municipality in which the land is situated unless (a) the municipalities otherwise agree; or (b) where the land is acquired by expropriation, The Municipal Board otherwise orders under subsection 8(4) of The Expropriation Act. (TMA Section 255)

1.2. Assessment and Usefulness of Municipally Owned Land

A municipality may sell land when the land has been deemed surplus to the needs of the municipality. The term “land” shall include all buildings, and other fixtures located thereon.

Criteria used to determine usefulness of a municipally owned land may include one or more of the following:

- a) No long-term use has been identified for the land.
- b) It is no longer in the best interest of the Municipality to retain ownership of the land (i.e. cost to maintain the land outweighs the benefit of retaining, etc.).
- c) Retaining ownership exposes the municipality to liability or risk (i.e. a vacant building or land would be more vulnerable to vandalism and trespassing, etc.).
- d) A non-profit organization has an interest in acquiring the land to provide a service to the community.
- e) The abutting land owner(s) have expressed an interest in acquiring the land.

1.3. Powers of Municipality to Dispose of Land

The manner by which the Municipality acquired a land must be considered when choosing the method of disposal. If a land was acquired for a community, charitable or recreational purpose, or was gifted to the municipality, every effort should be made to ensure the sale of the land will facilitate a continued community, charitable or recreational vision.

Methods available to facilitate the disposal of surplus municipal land are as follows:

a) Public Auction

Advertise and hold a public auction. For sale by public auction, Council will set a minimum price.

b) Sale by Listing Agent

List the land for sale by a real estate agent to obtain market value upon the sale of the land. Following the guidelines established under Division 6 – Tax Sales of Real Land of TMA, unless acting as an agent

of a municipality in a purchase by a municipality under section 374, the following persons must not bid for, buy, or act as an agent in buying a land offered for sale:

- (a) the Listing Agent;
- (b) a member of council;
- (c) the chief administrative officer, or at the discretion of the municipality, a designated officer of the municipality;
- (d) a spouse, common-law partner or dependent family member residing with any of the persons described in clauses (a) to (c); or
- (e) a corporation in which any of the individuals mentioned in clauses (a) to (c) has a pecuniary interest.

c) Direct Sale to Abutting Land Owner

If the land is deemed “non-usable”, negotiate the sale of the land to the abutting land owner. If Council decides a negotiated sale to be the best approach then all owners of land immediately abutting the non-usable land shall be offered, in writing, an approximately equal portion of the parcel at the assessed value.

Where only one abutting land owner thereafter expresses in writing continued interest in acquiring a portion of the parcel, this owner shall be offered the entire parcel at the predetermined price.

d) Direct Sale on the Open Market

Surplus properties with high market potential may be disposed of by direct sale on the open market. Direct sale on the open market shall involve establishing a predetermined price and advertising the land for sale in newspapers appropriate for the sale.

Pricing shall be set at the appraised value as determined by an independent Certified Real Estate Appraiser.

Offers to purchase at the specified price or greater shall be received in writing and must be received by the Municipality in a sealed envelope within the time specified by the Municipality. All written offers shall be dated and time stamped and initialed by the Chief Administrative Officer, or his/her designate, as received.

All offers to purchase the same land shall be opened by the Chief Administrative Officer and the highest price, provided that it is above or equal to the predetermined price shall be accepted.

e) Sale by Land Exchange

Wherever possible, direct land exchange of surplus properties may 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.

1.4. Unsolicited Proposals

When an unsolicited offer to purchase land owned by the Municipality of Bifrost-Riverton is received, staff will determine if that land has been deemed surplus by motion of Council. If already deemed surplus by motion of Council, the land will be disposed of in accordance with disposal methods included in this policy.

If the land has not been deemed surplus by motion of Council, the request will be presented to Council. Council will determine if the land is surplus to the needs of the Municipality. If deemed surplus, staff will proceed to dispose of the land in accordance with this policy.