

 <p>Town of SALISBURY</p>	<h1 style="color: red;">POLICY</h1>	Department: Chief Administrative Officer (CAO)
	<h2 style="font-weight: bold;">MUNICIPAL SURPLUS LAND & LAND ACQUISITION POLICY</h2>	
Effective Date: February 13, 2024		Last Reviewed Date: February 1, 2024

1. PURPOSE STATEMENT

The purpose of this policy is to outline the process for the acquisition and disposal of municipal lands, with a particular emphasis on the disposal of municipal surplus land(s) for the purposes of residential housing.

2. APPLICATION

This Policy does not apply to lands that have existing legal distinction(s) or purposes, such as land transfers with conditions and/or lands for public purposes, acquired through the development process, pursuant to Section 76 of the *Community Planning Act*.

3. DEFINITIONS

- **“Act”** means the *Local Governance Act, SNB 2017, C.18*;
- **“Administration”** means staff of the Town of Salisbury;
- **“Affordable Housing”** means the definition of the Canadian Mortgage and Housing Corporation (CMHC)’s standards, consisting of housing at a rate of less than 30% of a households income before tax;
- **“Chief Administrative Officer”** means the head of the municipal administration and the only employee that reports to Town Council and is appointed pursuant to Section 81 of the *Local Governance Act*;
- **“Council”** means the elected Mayor and Councillors of the Town of Salisbury;
- **“Reserve Fund(s)”** means reserve accounts established and maintained by Town Council, pursuant to Sections 101(a) and 101(b) of the *Local Governance Act*;
- **“Surplus Lands”** means land(s) that the Town has determined they no longer have a need for, OR, is interested in soliciting proposals for alternate uses to maximize the land(s) or meet strategic objectives (e.g.: housing development), pursuant to this Policy;

4. LAND ACQUISITION

Identification of Land(s) to be Acquired

Land to be acquired may be identified by:

- Council;
- A third party offering to dispose of its land to the Town;
- A municipal plan, report, or strategy identifying strategic lands;
- Public listings of land(s) for sale;
- A department requiring acquisition for the fulfillment of a specific mandate.

Process for Land Acquisition

In the event of land identified that may be considered for acquisition, the Town shall prepare a recommendation to Council. In the event that the land is not publicly listed, Administration shall be authorized to determine a fair market value, in consultation with a land or real estate professional, for the purposes of determining potential pricing.

In preparation of a report from Council, Administration shall highlight and consider the following and highlight these criteria within the Council Report Form:

- Economic return or value of the land(s)
- Current zoning
- Potential future uses(s)
- Developability of the land (size, location, existing uses/structures, development constraints, municipal services)
- Proximity to primary transportation/municipal services (sidewalks, sewer, etc.)
- Proximity to services and public amenities (medical, educational, food, education, parks, etc.)
- Adjacent land uses(s)
- Whether land(s) protect municipal assets or enhance existing ownership (ie: land adjacent to municipal owned land, etc.)

Authorization for Pre-Approved Land Negotiations

In the event of land(s) that have been identified by Council as priority, Administration is authorized to negotiate directly with landowners, especially if lands are publicly listed and may sell quickly, in order to expedite the process.

Administration, through the CAO, in consultation with the Mayor, may be pre-approved to negotiate with landowners for lands that meet the majority of the above-mentioned criteria favorably, but have not necessarily been pre-approved as a priority.

In order to negotiate a price, Administration shall be required to have a determination of fair market value by two professionals. The fair market value shall be calculated by taking the average of these two prices. Administration shall be authorized to negotiate an Intent to Purchase at a price of fair market price (with a +10% allowance for an additional buffer for negotiation purposes, if required).

Acquisition Process

Regardless of the acquisition process pursued, all land transactions involving the Town are subject to a resolution of Council, during a Regular Council Meeting, as per the *Local Governance Act*.

5. DISPOSAL OF MUNICIPAL LAND(S)

In the event that land has been designated as surplus land(s), the following process shall be undertaken:

Designation of Surplus Lands

Land owned by the Town may be deemed as surplus land, at the discretion of Council. At no point does designating land as surplus land determine that it shall be transferred, sold, or disposed of, but rather, that the Town shall commence the public process of soliciting proposals for the disposal of land.

The designation of land as surplus shall first be directed by Council in a Closed Session, pursuant to Section 68(1)(d) of the *Local Governance Act*. This shall be ratified by way of resolution, including the intended use of the surplus lands (housing, commercial, lease, etc.).

Direct Sale

Where Council deems land to be disposed of for the purposes of economic development, and/or to generate revenue for the Town, the Town has the sole discretion to determine if lands should be sold for the highest price.

In this event, the Town determines if the sale shall be posted by the Town, or, through a licensed real estate broker of their choice. Either avenue shall be considered public notice of the intent to dispose and sell land(s) and remain subject to authorization of Council, by way of resolution, to accept an offer on the land(s).

Public Notice of Solicitation of Proposals – General

To initiate the process of disposing of municipal lands, the Town shall issue a public solicitation of proposals, on the Town's website and through direct communication with potential interested parties, at the discretion of the Town, with the following information:

- Bidding process, including deadline for submission of bids, bid requirements, and anticipated timeline;
- Desired use for the surplus lands (ie: residential use, commercial use, recreational use, etc.);
- Location & size of parcel(s);
- Information related to land-use and permitted zoning;
- Information, studies, surveys, etc. available or commissioned on the land(s), where applicable (ie: topographic surveys, water studies, subdivision plans, etc.);
- Requirement(s) of the presentation to Council, should the proponent be short-listed;
- Mandatory conditions with the surplus lands (ie: timeframes, uses, if it is a lease versus transfer, etc.) that must be agreed to in submitting a bid;
- Required information to be submitted with the proposal(s), such as: letter of intent, contract(s) and obligations required by proponents, term(s), references, etc.;
- Any other information that the Town deems required for the purposes of the RFP process.

Solicitation of Proposals – By-Invite for Not-for-Profit Developers

In light of the economic, social, and community benefits, in addition to funding opportunities that can be leveraged, the Town reserves the right to solicit proposals directly from not-for-profit organizations, primarily for residential development, at the sole discretion of the Town. In this event, these proponents shall be required to follow the same process, with the exception that the notice shall not be posted publicly prior to undergoing the evaluation process.

A by-invite solicitation of proposals from surplus lands shall be initiated by way of direction from Town Council. A proposal, request, or recommendation may be made by Administration in a Closed Session, pursuant to Section 68(1)(d) of the *Local Governance Act*. Should it be the will of Council, they may direct Administration, pursuant to Section 68(2)(b) of the *Local Governance Act*, to solicit proposals from potential qualified not-for-profit developers for consideration for surplus lands. In general, land(s) transferred through this method shall be sold for \$1.

While this option exists to favor not-for-profit developers in the pursuit of affordable and suitable housing, it does not exclude not-for-profit developers or organizations from submitting proposals as part of surplus lands that may be issued for RFP publicly.

Evaluation of Proposals by Administration

Following the RFP process, evaluations shall be evaluated confidentially by the Chief Administrative Officer or their designate. This evaluation may include other members of Administration, at the discretion of the CAO, based on the intended use(s) of the surplus lands.

This evaluation shall be for the sole purpose of determining eligibility of proposals submitted in alignment with the criteria posted as part of the RFP process. In the event of multiple proposals, the CAO shall determine a short-list of up to three proponents, in consultation with the Mayor, to move onto the presentation phase.

Presentation of Proposals – Meeting of Salisbury Town Council

Following the confirmation of eligibility and/or short-listing of proponents, the CAO shall notify the Clerk of the Municipality of the need to have a Closed Session, pursuant to Section 68(1)(d) of the *Local Governance Act*, for a presentation from short-listed proponents.

All proponents having reached this stage shall have an equal opportunity to propose their proposal to Town Council. Using a consistent evaluation matrix, Council shall evaluate all presentations and determine the successful proponent.

Disposal of Land(s)

Following the public process, the Town shall enter into negotiations, pursuant to the terms advertised by the Town, with the successful proponent. The decision must be ratified in a Regular Session of Council, pursuant to the *Local Governance Act*, prior to executing formal agreements.

6. LAND SALE/USE REVENUES

In the event that the Town collects revenue from the disposal of municipal-owned lands pursuant to this Policy, the funds shall be deposited to the Town's General Operating Budget. Use of the funds shall be at the discretion of Council, and in the event that revenue(s) are not spent in the fiscal year of the transaction, Council shall transfer the funds to a Reserve Fund at their discretion.

If lands are disposed of for housing or economic development, a minimum of 50% of the revenue from the lands shall be earmarked for future use(s) related to housing, such as: additional land purchases for future disposal, developer agreement incentives, etc.