

Standard

Disposal of City Owned Interests in Land



Program Impacted	Project & Asset Management <i>The City of Edmonton's projects are well-managed and assets are maintained for accountable service delivery.</i>
Approved By	Deputy City Manager, Financial and Corporate Services
Date of Approval	December 13, 2024
Approval History	N/A
Next Scheduled Review	December 13, 2028

Statement

Real estate dispositions will occur in a consistent, transparent and accountable manner so that results are fair, reasonable and in the best interests of the City of Edmonton and realize social, economic, environmental and cultural returns to the City.

Application

This standard applies where any interest in Real Estate is disposed of by the City of Edmonton, whether at Market Value or below Market Value, as managed by the City's Real Estate Branch.

All Real Estate shall be disposed of in accordance with the City of Edmonton's Delegation of Authority framework (Role-Based Authority Chart - Financial and Corporate Services) along with the Municipal Government Act (MGA) and any below Market Value disposal would follow the required process set out in the MGA.

This standard does not apply to licenses, leases, and leasehold interests.

Conditions for the Disposal of Real Estate

1. The Real Estate Branch will be responsible for the disposition of any City-owned interests of Real Estate, managing risk responsibly and, when required, ensuring City Council is informed in an appropriate way.
2. When there is a proposal to dispose of City-owned Real Estate, the Real Estate Branch will determine whether the Real Estate is Viable or Non-Viable.

3. Unless otherwise stated, the following conditions must be met before the Disposal of any interest of Real Estate:
 - i. Notice shall be provided to the public to solicit offers, in accordance with Section 5;
 - ii. a direct sale is not permitted for Viable Real Estate, unless being disposed of by a land exchange to accommodate or progress City projects or facilities;
 - iii. Notwithstanding subsection 3.i., notice to the public to solicit offers will not be required if a property is Non-Viable, Landlocked Parcel, or a Remnant Parcel; and
 - iv. the disposal of Real Estate with Heritage designations or historically significant property must reference all necessary special conditions to preserve its heritage status.

Methods of Disposal

4. The Real Estate Branch will determine the best means of Disposal of surplus Real Estate based upon the following criteria:
 - i. returns to the City (monetary, social, economic, environmental and/or cultural value);
 - ii. property type;
 - iii. market conditions; and
 - iv. competition.

Means of disposition include, but are not limited to:

- v. competitive bid process: property is offered by a public bid process
- vi. direct sale to a specific party: ONLY if a Landlocked Parcel, a Remnant Parcel, a single possible purchaser or for Non - Viable Real Estate; and
- vii. land exchange: lands to be exchanged for other lands deemed necessary for current or future City projects or facilities disposed of at Market Value.

Notice of Proposed Disposal

5. Notice of the proposed Disposal of Viable Real Estate shall be provided to the public by two or more of the following methods, unless being used in a land exchange to accommodate or progress City projects or facilities:
 - i. Posting a sign on the Real Estate for a period of not less than thirty (30) days.
 - ii. Posting on the City's website
 - iii. Listing the Real Estate with a licensed Real Estate broker
 - iv. Listing the property on a Multiple Listing Service
 - v. Advertising in an industry publication
6. Where Viable Real Estate is being sold to an entity for a specified purpose and/ or at less than Market Value, best efforts will be made to include wording within the Agreement of Purchase and Sale that

returns the Real Estate (property) to the City in its original condition for the original purchase price at the City's option, should the intended development/use not occur within a specified timeframe.

Multiple Offers

7. In the event multiple offers are received for a Real Estate interest, each of the applicants will be advised there are multiple offers. Each applicant will be given the opportunity to revise their offer within a prescribed amount of time, at the discretion of the Real Estate Branch. At the end of the set amount of time, the City will consider the offers. In the opinion of the Real Estate Branch the offer that maximizes the social, economic, environmental and cultural return to the City and all other relevant statutory and policy requirements will be pursued.

Exceptions

8. Exceptions may be considered, based on a justification acceptable to either the City Manager, Deputy City Manager of Financial and Corporate Services, the Branch Manager of Real Estate and/or an Executive Committee of Council.

Definitions

- **Disposal of Interest / Disposed** The method of selling or transferring any interest in Real Estate (partial or complete). This does not include lease and leasehold interests.
- **Landlocked Parcel** A parcel that has no legal or physical access to public right-of-way.
- **Market Value** Estimated value of the property based on an appraisal report completed by a qualified and designated Real Estate appraiser, acceptable to the Branch Manager of Real Estate.
- **Non-Viable** A parcel that is not independently developable. This would also include any partial interests in land (i.e. restrictive covenants, easements and utility rights of way etc.).
- **Real Estate** An identified parcel or tract of land, including improvements, if any.
- **Remnant Parcel** The remainder of an original parcel that can only be marketable/ usable if consolidated with adjacent land, often due to its size, location, shape or topography.
- **Viable** A parcel of Real Estate that is independently developable on its own.