

M.D. of Opportunity No. 17
LAND POLICY

TITLE: LAND DEVELOPMENT AND SALE POLICY

EFFECTIVE DATE: OCTOBER 11, 2017

POLICY NUMBER: L.1

Purpose of Policy:

This policy sets out the conditions under which the Municipality may develop and sell land owned by the Municipality. It further sets guidelines for the regulation and administration of land sales, establishes rates and fees for land related activities.

Definitions:

- 1. Area Structure Plan** – A statutory plan that is adopted by Council for the purpose of providing a framework and guide for subsequent subdivision and development of specific neighborhoods or areas of the Municipality.
- 2. Development** – As per definition in the Municipal Government Act:
 - a) an excavation or stockpile and the creation of either of them;
 - b) a building or an addition to or replacement or repair of a building and the construction or placing of any of them on, in, over or under land;
 - c) a change of use of land or a building or an act done in relation to land or a building that results in or is likely to result in a change in the use of the land or building; or
 - d) a change in the intensity of use of land or a building or an act done in relation to land or a building that results in or is likely to result in a change in the intensity of use of the land or building.
- 3. Direct Control District** – An area of land identified by Council where all development applications and land sale proposals are approved at the sole discretion of Council.
- 4. Engineering Standards** – design standards approved by the Municipality which prescribe a concise set of conditions and requirements that must be satisfied by a material, product, process, procedure, convention, or test method; and the physical, functional, performance and/or conformance characteristics thereof.
- 5. Infrastructure** – roads, water/sewer, approaches, lift stations, etc.
- 6. MD Housing Corporation** – Municipal District of Opportunity No. 17 Housing & Development Corporation.
- 7. Municipality** – the Municipal District of Opportunity No. 17.

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8. **Municipally Developed Land** – Municipally-owned land that has been surveyed and subdivided into a single lot which has local improvements extended to the lot such as water/sewer and approach.
9. **Option to Purchase** – means such option to purchase agreement attached as a schedule to the Purchase Agreement, permitting the Municipality to re-acquire title to the lands in the event that the Purchaser does not comply with the construction requirements in the Purchase Agreement.
10. **Purchase Agreement – Sale & Construction Agreement** between the Municipality and a third party purchaser.
11. **Purchaser** – a developer or purchaser of municipal land from the Municipality under a Purchaser Agreement.
12. **Quality Assurance Testing** – As built inspections that confirm the improvement(s) have been constructed to the Municipality's design standards.
13. **Raw Land** – Municipally-owned land in its natural state with no man-made improvements including survey and infrastructure.
14. **Serviced Commercial** – land situated within highway commercial, commercial or direct control districts which has access, water and sewer services extended to the lot.
15. **Serviced Industrial** – land situated within an industrial or business district that has access, water and sewer services extended to the lot.
16. **Serviced Residential** – land which has access, water and sewer services extended to the property line of the lot which is located within a residential district.
17. **Transfer Back** – a transfer of land executed by the Purchaser to transfer the land back to the Municipality.
18. **WD Housing Authority** – Wabasca/Desmarais Housing Authority.

POLICY STATEMENTS:

A. Development of Raw Land

1. The Municipality will determine the location and design of residential Raw Land within the hamlets.

- a) The plan for the Development will be as per approved Engineering Standards.
- b) Administration will predetermine Residential, Commercial, and/or Industrial Raw Land development locations based on the Area Structure Plan and Infrastructure needs for each community.
- c) Administration may advertise for Commercial and/or Industrial Raw Land developers to service and construct commercial and industrial subdivisions through a Request for Proposal process annually. Requests for Proposal will take qualitative considerations with timelines set for successful proposals.

2. The Municipality may sell Raw Land to commercial/industrial private Purchasers under the following conditions:

- a) The Municipality has no plans for developing or otherwise using the Raw Land.
- b) The proposed Development must conform to the requirements of the Municipality's land use bylaw.
- c) The proposed Development must conform to the Engineering Standards adopted by the Municipality.
- d) The Purchaser shall ensure that the appropriate Quality Assurance Testing has been completed and reports in this regard provided to the Municipality.
- e) The Purchaser shall be responsible for the cost of all services, including but not limited to, water, sewer, roads, power, natural gas, sanitary and storm sewer where applicable and necessary, access, and for any other costs associated with the sale, sub-division and development of the Raw Land.
- f) Where the Purchaser constructs utilities or other services which benefit parts of the Municipality not included in the Development, Council may approve a cost-sharing arrangement.
- g) Purchasers purchasing Raw Land must enter into a Purchase Agreement, which will include the requirements to:
 - (i) obtain a development permit for the Development prior to closing / title transfer into the Purchaser's name;
 - (ii) complete any Raw Land subdivision required within six (6) months after approval has been granted by motion in Council;

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- (iii) complete construction of the Development within one (1) year after title has been transferred.

In the event that either the Raw Land subdivision or the Development has not been commenced or completed within the required timeframes, or the Purchaser transfers the land to a third party prior to completion of the Development, the Municipality may reacquire the lands and title for 80% of original purchase price pursuant to the Option to Purchase.

- h) Purchaser shall provide the Municipality with a Transfer Back, for use in the event that the Municipality exercises its Option to Purchase.
- i) Purchasers will be required to enter into a Development Agreement which will require the provision of security in the form of an irrevocable letter of credit or cash, at minimum 100% of the total construction costs including road access construction and water mains and sanitary lines where applicable and necessary, to guarantee the completion of the subdivision.

B. VALUATION AND SALE OF LAND

1. Commercial / Industrial / Residential Raw Land

- a) Raw Land shall be sold at fair market value or greater.
- b) Raw Land purchase applications must be accompanied with:
 - (i) \$150.00 application fee (non-refundable);
 - (ii) a minimum 15% deposit; and
 - (iii) a statement regarding the proposed use of the Raw Land.
- c) Purchasers/Applicants who withdraw Raw Land application after it has been approved by the Municipality will forfeit their 15% deposit.

2. Municipally Developed Land

- a) Administration is authorized to determine lands for sale, advertise and sell Municipally Developed Land providing that both the WD Housing Authority and MD Housing Corporation's annual needs are first met.
- b) Municipally Developed Land shall be sold for fair market value or greater.
- c) Municipally Developed Land shall be sold on a first come, first served basis. Including without limitation, Municipality's administration:
 - (i) shall not consider any applications from Applicants/Purchasers who have overdue debts to the Municipality or who are involved in litigation with the Municipality;
 - (ii) may give preference to Applicants/Purchasers who:

- ❖ reside in the community within which the subject Municipally Developed Land is located;
 - ❖ would be first time homeowners;
 - ❖ have not previously purchased land from the Municipality;
- d) Single lot purchases of Municipally Developed Land will be limited to one (1) lot per applicant and/or household. For the purpose of this policy this includes corporations, spouses and any other direct family members residing in the same household.
- e) Applications to purchase Municipally Developed Land must be accompanied with:
- (i) a minimum 15% deposit; and
 - (ii) a statement regarding the proposed Development to be constructed on the Municipality Developed Land. The proposed Development must conform to the Municipality's land use bylaw and Area Structure Plans. All proposed Developments on Municipally Developed Land, including but not limited to residential dwellings and commercial structures, must have a minimum assessed value of \$50,000.00 and be constructed on a permanent foundation. If a proposed Development has an age value of ten (10) years or more, the development permit application will be treated as a discretionary application and brought to the Municipal Planning Commission for a decision. All Developments are required to obtain an approved development permit and all necessary safety permits (Building, Electrical, Plumbing and Gas).
- f) Any financing condition for the benefit of Purchasers/Applicants offering to purchase a parcel of Municipally Developed Land shall be a maximum of twenty one (21) banking/business days from the date of the application/offer to obtain the necessary financing and waive their condition.
- g) Purchasers purchasing Municipally Developed Land must enter into a Purchase Agreement, which will include the requirements to:
- (i) obtain a development permit for the Development prior to closing / title transfer into the Purchaser's name;
 - (ii) complete construction of the Development within one (1) year after title has been transferred.

In the event that either the Development has not been commenced or completed within the required timeframes, or the Purchaser transfers the land to a third party prior to completion of the Development, the Municipality may reacquire the lands and title for 80% of original purchase price pursuant to the Option to Purchase.

- h) Purchasers shall provide the Municipality with a Transfer Back, for use in the event that the Municipality exercises its Option to Purchase.
- i) Purchasers/Applicants who withdraw Raw Land application after it has been approved by the Municipality will forfeit their 15% deposit.

- j) The responsibility for locating actual lot lines and corner pins on the property rests with the Purchaser.
- k) A onetime six (6) month extension may be granted to Purchasers at the discretion of Council.

C. PETROLEUM & NATURAL GAS RENTAL RATES AND FEES

LEASE TYPE:	FIRST YEAR RATE:	SUBSEQUENT YEARLY RATE:
Alberta Right of Way Agreement	\$500/Acre Entry Fee plus \$1250/Acre Right of Way consideration	N/A
Alberta Surface Lease Agreement	\$2000 Administration Fee plus \$500/Acre Entry Fee plus \$1250/Acre Land Value plus \$250/Acre Loss of Use plus \$2000 General Disturbance plus \$2500/Acre Adverse Effect	\$250/Acre Loss of Use plus \$2500 Adverse Effect
Addition of Well to Existing Lease	\$1000/well	\$500/well
Seismic Activity	\$200 Administration Fee and \$750 per kilometer of line within hamlet boundaries.	N/A

AGREEMENTS:	ADMINISTRATION FEE:	FIRST YEAR FEE:	SUBSEQUENT YEAR FEE:
Road Crossing (One-time fee for an agreement to cross an MD administered road with a pipeline)	\$600/Crossing	N/A	NA
Utility Right of Way: Gas Distribution/Other	\$200	\$250	N/A
Fiber Optic	\$200	\$500/km	
Temporary Additional Working Space	\$750/Acre	N/A	N/A
Approach Agreements (One-time fee for an agreement to connect a private road to an MD administered road)	\$600/Approach	N/A	N/A

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D. LAND ACQUISITION AND ADMINISTRATION

Municipality policy requires that the interest holders on land acquired from the Crown retain an Alberta Land Surveyor to prepare and register a legal survey plan in the Northern Alberta Land Registration District to denote the limits and location of the interest held. Such plans are required for, but are not limited to, Utility Right of Way Plans and Plans showing survey of Pipeline Right of Way (or other Oil and Gas facilities such as flow lines etc).

APPROVED: August 28, 2013 - MOTION 0527-2013-17MDC

AMENDED: January 28, 2015 - MOTION 0053-2015-17MDC

AMENDED: September 20, 2017 – MOTION 0483-2017-17MDC

AMENDED: October 11, 2017-MOTION 0501-2017-17MDC

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