



TOWN OF SHELBURNE COUNCIL DISPOSAL OF SURPLUS PROPERTY POLICY

PURPOSE:

The purpose of the Disposal of Surplus Property Policy is to dispose of surplus property in a fair, legally compliant and impartial manner, which takes into account the highest financial return to the Town of Shelburne balanced with economic and community development opportunities.

OBJECTIVES:

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

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

POLICY:

It is a policy of the Council of the Town of Shelburne that property deemed surplus by motion of Council is to be disposed of in accordance with disposal methods included in this policy and as determined by Council.

POLICY STATEMENTS:

1. Assessment and Usefulness of Town Owned Property

The Town may sell property when the property has been deemed surplus to the needs of the Town. The criteria used to determine usefulness of a Town owned property may include one or more of the following:

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

2. Process for Disposal of Property

Council will identify which parcels are to be reviewed for potential disposal. The Town's Asset Management Committee will then be assigned to report their recommendations to Council regarding the disposal of a given property. In addition to consideration of the above listed criteria, the Committee will also report on the type of disposal (a simple 'as is' property versus a more strategic property), the steps required to prepare it for disposal (including an estimated cost and timeline), and the best means of promoting the property for disposal.

3. Powers of the Town to Dispose of Property

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

There are a number of methods available to facilitate the disposal of surplus Town property.

a) Call for Expressions of Interest

Advertise a Call for Expressions of Interest to solicit sealed submissions for the purchase of the property. Should Council choose to proceed with this option, consideration should be given to the possibility that the highest bid may be from a non-profit organization that is offering less than market value. Should this be the case, see item (g)-Sale to Non-Profit organizations.

b) Public Auction

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

c) Sale by Listing Agent

List the property for sale by a real estate agent to obtain market value upon the sale of the property. Staff of the Town of Shelburne or the spouse of a staff member of the Town are not permitted to place a bid or purchase property listed for sale by a real estate agent until fifteen (15) days have passed since the property was listed for sale. For the purpose of this policy, "spouse" is defined by the Province of Nova Scotia Municipal Conflict of Interest Act C.299 R.S.N.S 1989 s.2(i).

d) Direct Sale to Abutting Property Owner

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

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

e) Direct Sale on the Open Market

Surplus properties with high market potential may be disposed of by direct sale. Direct sale on the open market shall involve establishing a predetermined price and advertising the property 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 shall be received in writing and accepted on a first come first served basis. The term "first come first served" shall mean the first written offer received from an individual, in a situation where more than one person becomes interested in purchasing the same property. All written offers shall be dated and time stamped and initialed by the CAO or his/her designate as received.

Subsequent written offers to purchase the same property shall be processed in the order of the date and time received, when conditions of sale to preceding offerors have not been met.

Staff of the Town of Shelburne or the spouse of a staff member of the Town are not permitted to place a bid or purchase property listed for sale by a real estate agent until fifteen (15) days have passed since the property was listed for sale. For the purpose of this policy, "spouse" is defined by the Province of Nova Scotia Municipal Conflict of Interest Act C.299 R.S.N.S 1989 s.2(i).

f) 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.

g) Sale to Non-Profit Organizations

Section 51 of the Municipal Government Act enable a Town to sell property at a price less than market value to a non-profit organization if Council considers the organization to carry on an activity that is beneficial to the Town. The procedure for this process to occur includes a public hearing respecting the sale of the property if the offer to purchase is more than ten thousand dollars less than market value, and a resolution of Council passed by at least two-thirds majority of the Council present and voting

4. Unsolicited Proposals

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

If the property has not been deemed surplus by motion of Council, the request will be presented to Council. Council will determine if the property is surplus to the needs of the Town. If deemed surplus, staff will proceed to dispose of the property using the most appropriate method.

5. Investment of Proceeds from the Sale of Municipally-Owned Property

The Municipal Govt Act stipulates how funds received from the sale of the property are to be invested, which include:

- a) Proceeds received from the sale of property, other than proceeds of the sale of land transferred to the Town during the subdivision process, shall be invested in the Town's Capital Reserve Fund.

"A withdrawal from the capital reserve fund shall be authorize by Council, by resolution, and may only be used for:

- i: capital expenditures for which the Town my borrow;
- ii: repayment of the principal portion of capital debt; and
- iii. landfill closure and post closure costs.

6. Authority of Elected Officials and Staff of the Municipality to Purchase Surplus Property

Elected officials, the Chief Administrative Officer or the spouse of an elected official or the Chief Administrative Officer are not permitted to purchase municipally owned property that has been deemed surplus to the needs of the Town. For the purpose of this policy, "spouse" is defined by the Province of Nova Scotia Municipal Conflict of Interest Act C.299 R.S.N.S 1989 s.2(i).

Approved by Town Council: May 21st, 2019

Karen Mattatall, Mayor

Julie Ferguson, Town Clerk