

MUNICIPALITY OF THE COUNTY OF RICHMOND

POLICY

POLICY NAME: **SALE OF MUNICIPAL PROPERTY**

APPROVAL DATE: **DECEMBER 16, 2013**

PREAMBLE:

The Municipality of Richmond County recognizes that Provincial Statutes give the County the authority to sell property, but we do not have any authority to give property away or dispose of it for inadequate consideration. The Municipality of Richmond recognizes that in most cases, municipal property should be sold in a transparent process, that offers the opportunity for all members of the public to participate, in order to obtain the highest consideration for the taxpayers of the Municipality. The Municipality also recognizes that in some instances there may be important considerations, such as community or economic development, that would provide a valid reason to sell a property to a particular person and/or company. In these instances, value would be established by an independent appraisal of the fair market value of the property, at the time of sale.

POLICY:

1. This policy applies to the sale of all municipal properties, other than those owned by the Municipality of Richmond in their industrial park in District #5 (adjacent to the Port Hawkesbury light industrial park) and in District #6 at Lennox Passage.

2. Municipal properties will not be sold unless they are no longer required for the use of the Municipality of the County of Richmond or for the use of the public or the inhabitants of the Municipality of the County of Richmond. Prior to the sale of property, Richmond Council will require a staff report and recommendations regarding this issue.

3. In deliberating on the sale of municipal property, Municipal Council must consider staff reports and recommendations, which are to include as a minimum:

(a) information on the location and size of the property, including a valid description.

(b) information regarding whether there is a financial need for the funds that the sale of the property will generate.

(c) information on whether there are job creation considerations (to include documentation from the developer outlining the employment and economic development benefits to be derived).

(d) for the sale of property to a non-profit organization, “that Council considers to be carrying on an activity that is beneficial to the Municipality”, the staff report must provide a written description of the community activity that the organization provides.

4. Municipal Council will not sell a property unless it is determined that the property is no longer required for the use of the Municipality or the public or the inhabitants of the Municipality of the County of Richmond, and also determines that there is a need for the financial benefits to be gained, or that there are job creation/ economic development benefits to be gained. Municipal Council may only make the following exceptions to this section:

(a) the sale of an undersized lot to an adjacent property owner;

(b) the sale of a property to a non-profit organization which is carrying on an activity that is beneficial to the Municipality. In this instance, Council may decide to sell the property by appraisal at fair market value, or for less than fair market value. If the consideration is for less than fair market value, then the resolution for such a sale must be passed by a two-thirds majority vote of Council present and voting, and where the property to be sold is valued at more than \$10,000, Council will hold a duly advertised public hearing on the proposed sale, in accordance with Section 51 of the New Municipal Government Act.

5. Municipal Council will sell all of its properties by public tender, in accordance with this policy, except in the following instances:

(a) where a municipality holds land that is of insufficient size or dimensions to be capable of any reasonable use, in the opinion of the Council, all or part of the land may be

sold to the owner of any lot abutting that land and may be consolidated with such lot and, notwithstanding Section 51 of the Municipal Government Act, the sale price of the land so sold may be set by Council at a price that is less than market value at the time of the sale;

(b) where the property is sold due to an economic development or job creation benefit;

(c) where the property is sold to a non-profit organization, which meets the criteria established in Clause 4(b);

6. Richmond Council recognizes that an inadequate response to a call for tenders may result in an inadequate consideration being offered for a property. In order to assist, staff will normally provide Council with a confidential appraisal of fair market value for any property which is being tendered. The appraisal will be received by municipal staff prior to close of tenders, and is to be utilized by the Municipality to assist in determining if the public tender has resulted in fair market value.
