

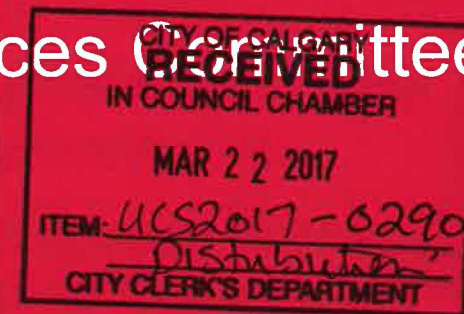
Calgary



Utilities and Corporate Services Committee

ORIENTATION

Real Estate Transactions





Utilities and Corporate Services Committee (UCS)

Terms of Reference

Environmental Safety Management; Waste and Recycling Services; Water Resources and Water Services; Environmental Sustainability

Human Resources; reviewing and making recommendations about corporate structure; corporate personnel issues; corporate policy

Information Technology and Services; Customer Service and Communications; Facility Management; Supply Management; Fleet Services;

Recommending the naming of City-owned facilities; and

Oversight of The City's involvement in property transactions, and public policies and standards to which The Corporation's land and assets are managed by the Administration.

Provincial Legislation

- Municipal Government Act
- Land Titles Act
- Law of Property Act
- Expropriation Act

Municipal Bylaw

- Bylaw 52M2009 – Real Property Bylaw
- Real Estate & Development Services process and procedures

Real Property Bylaw

Bylaw 52M2009

The Real Property Bylaw delegates certain powers, duties and functions relating to the authorization and administration of real property transactions and to the administration and management of The City of Calgary's real property.

RE&DS is currently working on amendments to the Bylaw to improve operational effectiveness and align with the new organizational structure.

Delegation of Authority to Administration

City Manager further delegates the authority to Administration set out in Bylaw 52M2009

A Delegation Letter identifies the position that has further delegation authority

In the case where there is more than one position, any of the listed positions can exercise the delegated authority or can choose to forward up to the next level

Delegation of Authority

Benefits

- Decrease in process time (4-8 weeks for all Real Estate Transactions)
- Improved time to market for dispositions
- Improved relationship with vendors and purchasers
- Approving Authorities are intended to be in line with current real estate prices, financial policies and other municipalities





Real Estate Roles





Management Real Estate Review Committee (MRER)



Consists of:

- Deputy City Manager
- Director of Real Estate & Development Services
- Manager, Sales & Acquisitions
- Manager, Land & Asset Management
- Coordinators of Real Estate & Development Services
- Finance
- Law

Types of Reports

Land Report

Required for Fee Simple Acquisitions, Stand Alone Dispositions, General Occupations and must be approved at Management Real Estate Review Committee or Council

Land Authorization Form

Required for the acquisitions and dispositions of an easement, URW or restrictive covenant and disposition of a remnant under \$2M or, occupations, occupation renewals, surrenders, demolition

Rectification Form

For the rectification of land reports, land authorization forms, agreements and documents

Market Value Definition

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in the definition of market value is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests; and
3. a reasonable time is allowed for exposure in the open market.



The valuation process develops a well supported estimate of a defined value, as of a specific date, based upon consideration of all pertinent, general and specific data.

Real estate is most commonly valued using one or more of three commonly accepted approaches recognized by Canadian Uniform Standards of Professional Appraisal Practice:

- Cost approach
- Income approach
- Direct comparison approach

Disposition of Stand-Alone Parcels

Process

- Council Approved Method of Disposition
- Purchase price meets or exceeds reserve
- Complies with any terms & conditions imposed by Council
- Land Report to MRER
- Delegated Authority to the Deputy City Manager

Disposition of Remnant Parcels

Process

- Under \$ 2 million
- Sold to adjoining owner
- OR originally dedicated and sold back to original owner at nominal value
- Land Authorization Form – no Land Report
- Delegated Authority to the Deputy City Manager

Disposition below Market to Non-Profit Organizations

Process

- Per the MGA, transactions can be negotiated without advertising or exposing to the open market
- Are typically approved by Council



Acquisitions of Fee Simple Interest

Process

Acquisition Cost \leq \$2 Million	Acquisition Cost $>$ \$2 Million
At or below market value	At or below market value
Purchase price \$2 million or less	Purchase price greater than \$2 million
Council approved budget	Land report to MRER
Land report to MRER	Land report to UCS
Delegated Authority to Deputy City Manager	Land report to Council



Process

- Annual base rent if \$500,000 or less
- Term is month to month, year to year or fixed term of 5 years or less
- No more than 2 options to renew
- Funding for operating costs in a budget approved by Council
- Land Report to MRER
- Delegated Authority to the Manager, Land & Asset Management



Occupations Land Authorization Form

Process

Any Occupation with a Term of 1 year or less or for the purpose of:

- Landscaping, crop & pasture use
- Residential tenancy, shoring, telecommunication installation, signs
- Occupation of a road
- Exercise of an option or right to renew – where City is the tenant
- Surrender of an occupation
- Delegated Authority to the Manager, Land & Asset Management





Exercise of an Option or Right to Renew

Process - City is the Tenant

- Annual base rent if \$500,000 or less
- Term is month to month, year to year or fixed term of 5 years or less
- Funding for operating costs in a budget approved by Council
- Land Authorization Form – No report to MRER
- Delegated Authority to the Manager, Land & Asset Management

Process - City is the Landlord

- Annual base rent must be market value
- Attached circulation results identifying no municipal purpose
- Rectification Form
- Delegated Authority to the Manager, Land & Asset Management



Summary of Delegated Authority

Transaction Type	Document Required	Council MRER Individual	Authority
Acquisition under \$2M	Land Report	MRER	Deputy City Manager
Acquisition over \$2M	Land Report	Council	Council
Remnant Sale under \$2M	Land Authorization Form	Individual	Deputy City Manager
Remnant Sale over \$2M	Land Report	Council	Council
Method of Disposition	Land Report	Council	Council
Stand Alone Sale (approved Method of Disposition)	Land Report	MRER	Deputy City Manager
Occupation under \$500,000	Land Report	MRER	Manager, Land & Asset Management Manager, Real Estate Sales & Acquisitions
Occupation over \$500,000	Land Report	Council	Council

Expropriation

Expropriation Act

The expropriation of property is one of the ultimate exercises of government authority. To take all or part of a person's property constitutes a severe loss and a very significant interference with a citizen's private property."

(Dell Holdings Ltd. v. Toronto Area Transit Operating Authority, [1997] 1 S.C.R. 32)

“expropriation” means the taking of land, or an interest in land, without the consent of the owner by an expropriating authority in the exercise of its statutory powers.



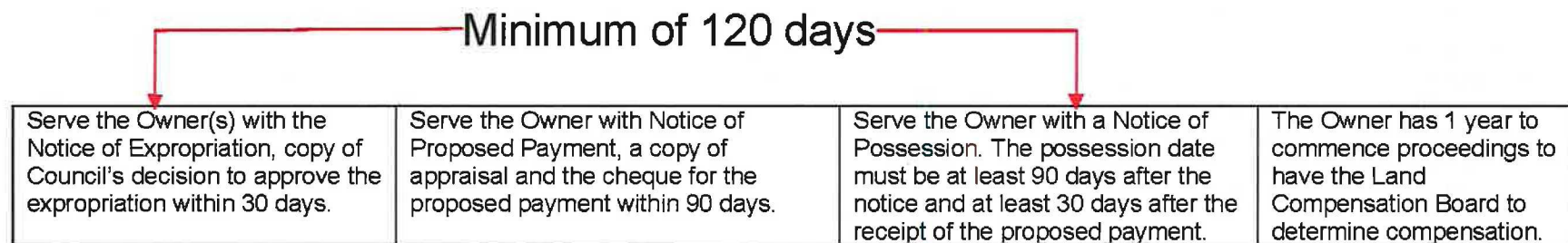
Expropriation Timeline

Statutory maximum 120 days
or 150 days if Deputy Minister grants extension

Council to approve initiation of expropriation	Notice of Intention to Expropriate is registered and served. Advertisement in 2 issues of newspaper.	Owner has 21 days to serve Notice of Objection.	Deputy Minister has 15 days to appoint an Inquiry Officer.	The City requests 30 day extension from the Deputy Minister. Dates set for the Inquiry.	Inquiry briefs are prepared and exchanged.	Inquiry held; Inquiry Officer has 30 days to render a report.	Council must approve for expropriation. Certified copies of unconfirmed Minutes prepared.	Certificate of Approval is registered. City now registered owner of expropriated property.
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Timelines After Registration of the Certificate of Approval

After the registration of the Certificate of Approval and title is in The City's name



It takes approximately 1 year from when Administration starts the process to obtain approval to expropriate property to the date The City obtains possession of the expropriated property.



Notice of Objection

Only Council can authorize the initiation of an expropriation and the approval of an expropriation.

An Owner can question, by serving a Notice of Objection on The City and proceeding to an inquiry, whether the taking of the land, or estate or interest in it, is fair, sound and reasonably necessary in the achievement of the objectives of The City.



Compensation

Compensation Payable to an Owner

Compensation may include:

- Market value of the land;
- Injurious affection;
- Disturbance damages;
- Special economic advantage;
- Costs, including the Owners legal fees, expert and appraisal costs; and
- Interest



QUESTIONS?

