

Clause 18 in Report No. 7 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on April 19, 2018.

18

## Sale and Other Disposition of Regional Lands Policy

Committee of the Whole recommends adoption of the following recommendation contained in the report dated March 28, 2018 from the Commissioner of Corporate Services:

1. Council approve the updated Sale and Other Disposition of Regional Lands Policy as shown in Attachment 1.
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Report dated March 28, 2018 from the Commissioner of Corporate Services now follows:

1. Recommendation

It is recommended that:

1. Council approve the updated Sale and Other Disposition of Regional Lands Policy as shown in Attachment 1.

2. Purpose

Section 270 of the *Municipal Act, 2001* requires that the Region adopt and maintain a policy to govern the sale and disposition of land.

This report recommends that Council approve the updated Sale and Other Disposition of Regional Lands Policy.

A table summarizing the differences between the existing and proposed policies is provided in Attachment 2.

### 3. Background and Previous Council Direction

The Region adopted and maintains a policy governing the sale of Regional lands

Council adopted the current Sale and Disposition of Land Policy on April 24, 1997. The Policy was updated on November 17, 2011, to reflect that the authority of the Chief Administrative Officer to authorize offers to acquire Regional lands was increased from \$50,000 to \$100,000 as authorized by Bylaw 2011-58 (Execution of Documents). There has been no substantive review of the Policy since its adoption.

An increase in the number of requests to acquire Regional lands resulted in a review of the existing Policy

Prior to 2013, requests to acquire Regional lands were infrequent. Since 2013, the number of requests received has steadily increased. Staff received seven requests in 2013, and 10 requests in 2014. From 2015 to 2017, the average number of requests received per year has increased to 15.

The increasing demand to acquire Regional lands has prompted a review of the existing Policy and its application to ensure that the Region is employing best practices when selling or otherwise disposing of Regional lands.

Staff reviewed the existing Policy to identify opportunities for improvement

A working group of Regional staff members from Departments across the Region was formed to review the existing Policy. As part of its review, the working group considered the practices employed by other public authorities and whether instituting any of these practices would benefit the Region.

Staff recommends certain revisions to the existing Policy

The working group determined that although the Policy was drafted 21 years ago, its core procedures and strategies are still sound. However, the Policy would benefit from certain revisions, including:

- Clarification and rationalization of procedures
- Substantive changes governing matters not wholly addressed by the existing Policy
- Minor changes intended to reflect current practices

#### 4. Analysis and Implications

The revised Policy expands the principles governing the disposal of Regional lands

The existing Policy provides that the sale of lands is to be consistent and transparent. These principles have been expanded and restated to ensure that:

- The process is fair and open
- The Region's interests are protected
- The Region realizes maximum value for the lands
- Risks to the Region, the public, and the environment are addressed and managed
- Other levels of government and public authorities are offered the opportunity to acquire the lands in furtherance of their public purposes

To ensure that these principles are being met it is proposed that the Policy be reviewed every five years.

The revisions to the Policy include procedural amendments

The revised Policy incorporates a series of clear and orderly steps, each step having been designed to: ensure that the guiding principles set out above are met, facilitate the efficient disposition of Regional lands, and establish roles and accountabilities.

The steps incorporate procedural amendments intended to set out the process of disposing of Regional lands. For example, it is proposed that only the local municipality in which the lands are located will be notified that the lands are surplus rather than all local municipalities as required by the current Policy. Public Works and Government Services Canada will no longer be notified that Regional lands are surplus as it is not the practice of this public authority to notify the Region when disposing of surplus lands.

The proposed Policy clarifies that the Policy's procedures may be adapted as required to comply with pre-existing contractual obligations to which the Region is a party, including funding agreements, licences, and joint-use agreements.

The proposed Policy includes substantive changes governing matters not wholly addressed by the existing Policy

A number of substantive revisions to the Policy have been proposed to address matters that are not wholly addressed by the existing Policy:

- Updating due diligence standards to accord with Regional practices

## Sale and Other Disposition of Regional Lands Policy

- Including requirements to provide notice that lands are to be sold
- Increasing the authority to accept offers from \$100,000 to \$500,000
- Including procedures to report dispositions
- Including conflict of interest provisions

The proposed Policy includes updated due diligence standards to accord with current Regional practices

The Region's due diligence creates a valuable record for establishing the condition of the lands at the time of their sale and informs the actions to be taken by the Region to minimize and manage any risks associated with their disposal.

The existing Policy requires the Director of Property Services, in consultation with the Regional Solicitor, to determine if any special legislative or policy provisions apply to the lands.

To accord with the more rigorous due diligence standards and procedures instituted by staff since the Policy's inception in 1997, the Policy has been revised to require an analysis of all matters which might reasonably be expected to impede the disposal of the lands or otherwise present a risk to the Region, the environment, or the public (including human health and safety).

The revised Policy requires that, unless otherwise determined by the Chief Administrative Officer or Council, lands with environmental impacts are remediated prior their disposition.

Public notice of the sale of the lands will be provided

The existing Policy does not include a requirement to provide public notice that the lands are for sale.

The proposed revisions to the Policy require that, unless the lands are listed with a licensed real estate broker:

- Notice of the Region's intention to sell the lands is published in a local newspaper on at least one occasion prior to sale and the notice must include a map clearly identifying the location of the lands
- A For Sale sign is posted on the lands

The newspaper notice and sign must include the proposed date of the sale and the name and contact information of the party handling the sale.

If the lands are marketed using a licensed real estate broker, any of the following by the broker would constitute sufficient notice:

- Listing of the lands on MLS

## Sale and Other Disposition of Regional Lands Policy

- Advertising the lands for sale in a local newspaper at least once
- The placement of a For Sale sign on the lands

Offers will be accepted in a manner that realizes maximum value for the lands

The Director of Property Services will negotiate all offers received by the Region. The Chief Administrative Officer may accept an offer if:

- The appraised value of the lands does not exceed \$500,000
- The offer is at least 90 per cent of the appraised value
- The offer is the best offer that can be achieved for the lands and it is in the Region's best interests to accept the offer

There is no requirement to accept any offer, including where the offer is made for the appraised value.

To reflect rising land values, it is proposed that the authority delegated to the Chief Administrative Officer be increased from \$100,000 to \$500,000.

The sale or other disposition of the lands will be reported

The existing Policy does not specify how and when the sale of lands is to be reported to the Controllership Office. The revisions to the Policy provide that the Director of Property Services will report the sale or other disposition of the lands to the Controllership Office within 30 days.

To ensure transparency, the Policy now includes conflict of interest provisions

The current Policy and the Region's Code of Conduct Policy do not include provisions with respect to the purchase of lands by members of Council and staff. Council members and staff can purchase Regional lands if:

- The transaction is open, public and transparent
- All the requirements of the Policy are met

The proposed Policy includes minor amendments and clarifications

The following are the proposed changes to the policy that are minor administrative amendments and clarifications to the existing Policy, including those required to align the Policy with existing practices:

## Sale and Other Disposition of Regional Lands Policy

- The definition of “disposition” has been expanded and clarified to include the exchange or donation of lands, and the release of an interest in lands held by the Region such as the release of an easement
- The Director of Property Services is not required to ascertain whether certain lands are available for disposition more than once every two years rather than each time a request to acquire the lands is received
- York Region Rapid Transit Corporation, Housing York Inc., York Regional Police, and YTN Telecom Network Inc. will always be offered the opportunity to acquire surplus lands. The current Policy provides that York Region Rapid Transit Corporation, Housing York Inc., and York Regional Police are notified only where the Director of Property Services determines that it is appropriate to do so. The Policy has been updated to include a requirement to circulate to YTN Telecom Network Inc.
- The definition of general market demand lands has been amended so that it no longer refers to the lands being of general commercial interest but rather of interest to a broad range of potential purchasers

### 5. Financial Considerations

The updated Policy will ensure that the disposition of the lands is conducted in a manner that maximizes the value received for the lands and minimizes any risks to the Region.

### 6. Local Municipal Impact

Where appropriate, other levels of government and public authorities will be offered the opportunity to acquire the lands in furtherance of their public purposes.

### 7. Conclusion

The proposed revisions to the Sale and Other Disposition of Regional Lands Policy establishes a decision-making framework for the sale and other disposition of lands that are no longer required by the Region. The Policy is intended to ensure that when conducting the sale or other disposition of Regional lands:

- The process is fair, open, and transparent
- The Region’s interests are protected
- The Region realizes maximum value for the lands

## Sale and Other Disposition of Regional Lands Policy

- The risks to the Region, the public, and the environment are minimized
- Other levels of government and public authorities are offered the opportunity to acquire the lands in furtherance of their public purposes

For more information on this report, please contact Michael Shatil, Director, Property Services at 1-877-464-9675 ext. 71684.

The Senior Management Group has reviewed this report.

March 28, 2018

Attachments (2)

eDOCS #8295335

Accessible formats or communication supports are available upon request



Status: **Final / Archived (select one)**  
Approved By: **Council / CAO (select one)**

## The Regional Municipality of York

### Sale and Other Disposition of Regional Lands

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**Policy No.:**

**Original Approval Date:** (Date of Council or CAO approval)

**Policy Last Updated:** (Only if updated after original Council or CAO approval)

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#### Policy Statement:

The Region shall sell or otherwise dispose of Regional lands in a manner that is fair, open, and transparent and that maximizes value and minimizes risk.

Departments are encouraged to take a proactive, planned approach to the disposal of lands. Departments should develop processes to identify lands not required for the department's current or future program or operational requirements.

#### Application:

This policy applies to transactions involving the sale or other disposition of land by the Region.

The following interests are not subject to the procedures set out in this policy as they are governed by other Council approved processes:

- leases;
- licences to enter and occupy Regional lands, including:
  - consents to install utilities and telecommunications systems;



## Sale and Other Disposition of Regional Lands

### Insert Most Recent Approval Date

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- permissions requested by a third party to perform its works on Regional lands; and
- permits, including encroachment permits and road occupancy permits;
- existing widenings or reserves to be conveyed to the entity having jurisdiction over the adjoining highway;
- the conveyance of easements to utilities and municipalities over closed highways and reserves;
- reversion of highways and infrastructure to local municipalities; and
- the conveyance of rights, including easements, necessary for a third party to provide services to Regional lands and facilities.

Further excepted from this policy is:

- the conveyance of land pursuant to: (i) pre-existing contractual obligations to which the Region is a party; and (ii) agreements and settlements reached under the *Planning Act* and the *Expropriations Act*, or other litigation settlements.

Procedures in this policy may be adapted as required to comply with pre-existing contractual obligations to which the Region is a party, including funding agreements, licences, and joint-use agreements.

The Director of Property Services shall ensure that this policy is reviewed and updated if necessary every five years.

### Purpose:

Section 270 of the *Municipal Act, 2001*, requires that the Region adopt and maintain a policy governing the sale and other disposition of Regional lands.

This policy establishes a comprehensive framework of procedures governing the sale or other disposition of lands which are no longer required by the Region for its current or future program or operational requirements.

This policy is intended to ensure that when conducting the sale or other disposition of Regional lands:

- the process is fair, open, and transparent;
- the Region's interests are protected;

## **Sale and Other Disposition of Regional Lands**

### **Insert Most Recent Approval Date**

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- the Region realizes maximum value for the lands;
- the risks to the Region, the public, and the environment are minimized; and
- where appropriate, other levels of government and public authorities are offered the opportunity to acquire the lands in furtherance of their public purposes.

### Definitions:

#### **Adjoining Land Owner**

An owner whose lands are immediately adjacent to the Region's lands.

#### **Administration Fee**

The administration fee applicable to the sale of lands as set out in Schedule A to Bylaw 2010-15, as amended.

#### **Appraisal**

A written estimate of the value of the lands prepared and signed by:

- a qualified Regional staff member; or
- an independent qualified appraiser accredited or certified with the Appraisal Institute of Canada.

#### **Appraised Value**

The lands' value as determined by an appraisal.

#### **Disposition**

Any disposal of Regional lands, including: any sale, exchange or donation of lands; or the release of any interest in lands.

#### **Lands**

Lands and interests in lands, including easements, together with any structures affixed to the lands.

# Sale and Other Disposition of Regional Lands

## Insert Most Recent Approval Date

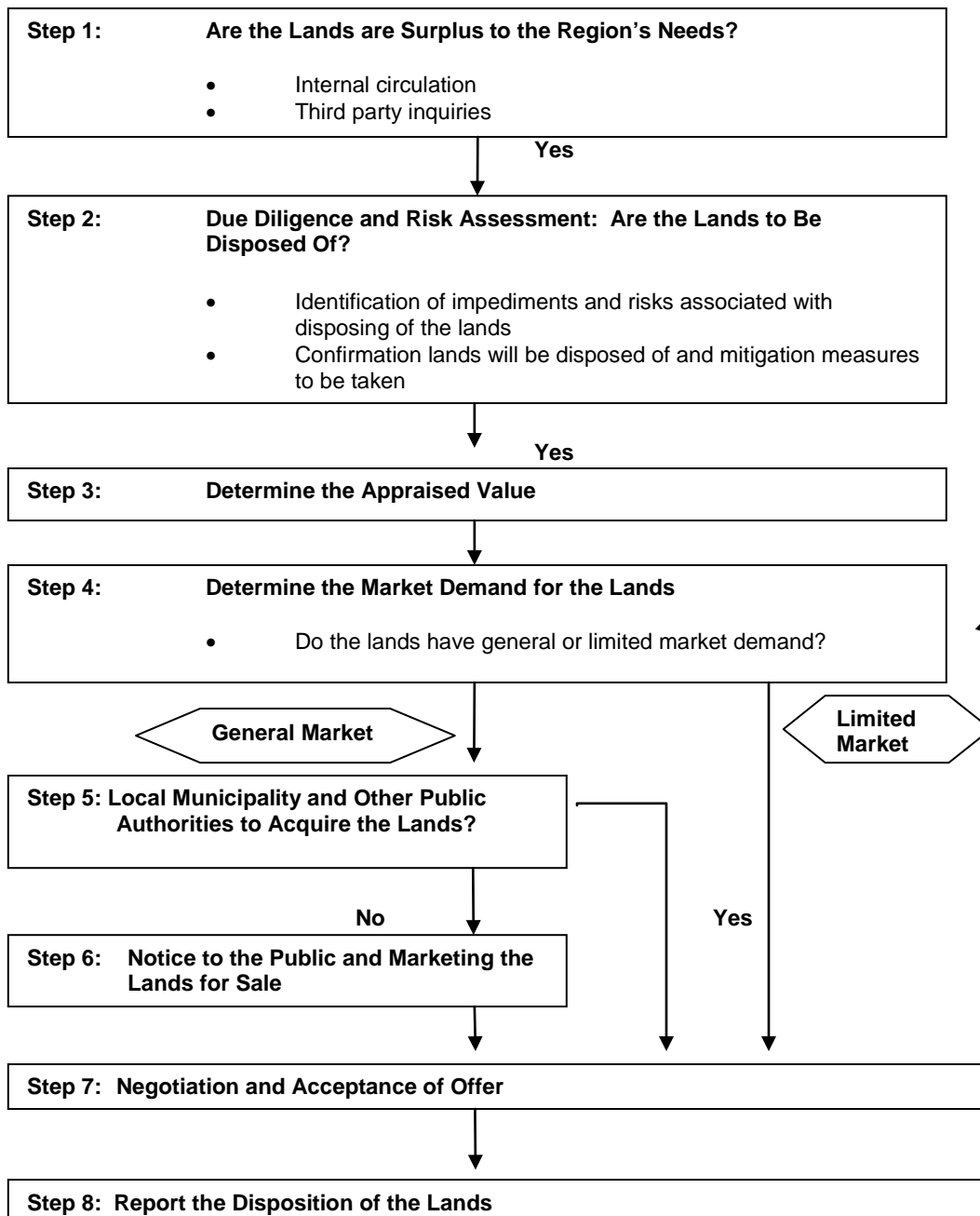
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Procedures:

The procedures set out in this policy must be followed in the disposition of all Regional lands except where exempted or adapted to comply with pre-existing contractual obligations.

The following table illustrates the steps in the disposal process, as more particularly detailed below:

**Table 1: Process to Dispose of Regional Lands**



## **Sale and Other Disposition of Regional Lands**

### **Insert Most Recent Approval Date**

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#### **The Disposal Process:**

##### **Step 1: Are the Lands Surplus to the Region's Needs?**

The Region may identify lands as being surplus to its needs as a result of:

- Regional departments' ongoing planning activities; or
- unsolicited inquiries from third parties.

Staff will consult all relevant Regional databases and other available resources when determining whether lands are required for a department's current or future needs.

#### ***A. Internal Circulation***

If a Commissioner identifies lands that are not required for the department's current or future needs, the Commissioner shall so notify the Director of Property Services in writing, setting out:

- a description of the lands, including a legal description and location map, if available;
- the date on which the lands were acquired, the authority for the acquisition, and the original purchase price;
- the use to which the lands have been put since they were acquired;
- any agreements affecting the lands, for example funding agreements, licences, and joint-use agreements; and
- the reason why the lands are no longer required by the department and the date that the department intends to cease using the lands.

Upon receiving the notice, the Director of Property Services shall commence the internal circulation process set out below.

#### ***B. Third Party Inquiries***

All third-party inquiries concerning whether lands are available for disposition must be directed to the Director of Property Services.

Upon receiving a third party's inquiry, the Director of Property Services shall ascertain from any department currently using the lands whether the lands are required for the department's current or future needs. The Director of Property Services is not required to conduct this inquiry with respect to the same lands more than once every two years.

## **Sale and Other Disposition of Regional Lands**

### **Insert Most Recent Approval Date**

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If the lands are required for the department's current or future needs, the Director of Property Services shall advise the third party that the lands are not available.

If the lands are not required for the department's current or future program or operational requirements, the Director of Property Services shall commence the internal circulation process set out below.

#### ***C. Internal Circulation***

Where lands are no longer required by a department for its current or future needs, the Director of Property Services shall prepare and circulate a notice to all other Regional departments, Housing York Inc., the York Region Rapid Transit Corporation, York Regional Police, and YTN Telecom Network Inc., requesting expressions of interest in the lands. The Director of Property Services shall include in the notice:

- a description of the lands, including a legal description and location map, if available;
- the existing and permitted uses of the lands;
- any agreements affecting the lands, for example funding agreements, licences and joint-use agreements;
- any special characteristics of the lands;
- whether any third party has expressed interest in the lands and such third party's intended use of the lands; and
- the date by which expressions of interest are to be received, which is to be 30 days from the date of the notice unless otherwise determined by the Director of Property Services.

Once the internal circulation process is complete, the Director of Property Services shall advise the Commissioner of Corporate Services whether there was any expression of interest in the lands.

If there was no expression of interest in the lands the Commissioner of Corporate Services will determine whether the lands are to be retained to achieve the Region's short or long-term objectives or are surplus to the Region.

If the Director of Property Services receives one or more than one expression of interest in the lands, the Chief Administrative Officer, on the recommendation of the Commissioner of Corporate Services, will determine the most appropriate use for the lands and the Director of Property Services will advise the relevant Regional departments or entities and the Controllershship Office so that the Controllershship Office

## **Sale and Other Disposition of Regional Lands**

### **Insert Most Recent Approval Date**

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can make any accounting entries required to comply with the Region's *Tangible Capital Assets Policy*.

If the lands will not be retained for Regional purposes, the Director of Property Services will commence and oversee the process to dispose of the lands as set out in Steps 2 to 8.

#### **Step 2: Due Diligence and Risk Assessment: Are the Lands to be Disposed Of?**

The Director of Property Services, in consultation with the Regional Solicitor, shall conduct the due diligence reasonably necessary to identify any impediment to or risks associated with disposing of the lands, including:

- any encumbrances that would affect the lands' appraised value or marketability, restrain their sale, or require the consideration of a third party's rights in the lands, including any legislative, policy, and title matters;
- any risks to the Region, the environment, or the public (including human health or safety), that may arise as a consequence of disposing of the lands, including any risks arising from the environmental condition of the lands.

If a third party inquiry initiated the disposition process, no due diligence will be undertaken until the third party pays a \$500 deposit to be applied against the administration fee.

#### **A. Encumbrances Affecting the Lands**

Encumbrances that may affect the lands' appraised value or marketability, restrain their sale, or require the consideration of a third party's rights in the lands may include:

- existing statutory or contractual rights to acquire the lands, including rights granted by Section 41 and 42 of the *Expropriations Act* where the Region expropriated the lands after December 20, 1968;
- agreements affecting the lands, for example funding agreements, licences, or joint-use agreements affecting the lands;
- utilities or other municipal infrastructure located within the lands; or
- heritage designations affecting the lands.

Measures that may be taken to address any such matters may include:

- obtaining a release of rights under the *Expropriations Act*,

## **Sale and Other Disposition of Regional Lands**

### **Insert Most Recent Approval Date**

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- permitting utilities or municipal infrastructure to remain within the lands, including granting easements; and
- granting or reserving easements under the *Ontario Heritage Act*.

#### **B. Environmental Condition of the Lands**

Prior to disposing of the lands, the Director of Property Services, in consultation with the Regional Solicitor, must ensure that all known regulated substances, materials and equipment at, on, in, or under the lands, meet all applicable regulatory requirements and do not pose a material risk to the Region, the environment or human health. The due diligence reasonably required to confirm whether this standard is met may include:

- reviewing internal records and public environmental databases;
- conducting a phase one environmental site assessment;
- performing a designated substances survey in accordance with O. Reg. 490/09, as amended; and
- such further investigations as appropriate, including a phase two environmental site assessment, particularly where the Region's due diligence indicates the potential for:
  - waste, or surface or subsurface environmental impacts, including the current or historical presence of petroleum or other storage tanks;
  - substances regulated under environmental and occupational health and safety legislation or that may pose a risk to human health or safety or to the environment; or
  - current or historical activities that may pose a risk to human health or safety or to the environment.

All measures taken to assess, investigate and remediate the lands must be performed in general accordance with the requirements, standards and methods set out in O. Reg. 153/04, as amended, including the use of a Qualified Person as set out in the regulation (except that a Record of Site Condition will not be filed unless legally required and should remediation involve a risk assessment being completed, submission of a pre-submission form and formal approval by the Ministry of the Environment and Climate Change will not be required).

## **Sale and Other Disposition of Regional Lands**

### **Insert Most Recent Approval Date**

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#### ***C. Confirmation of Disposition***

The Director of Property Services shall consult with the Regional Solicitor to determine what measures may be taken to resolve or mitigate any matters disclosed by the Region's due diligence. After reviewing the results of the due diligence and any proposed mitigation measures, and upon the recommendation of the Director of Property Services, the Commissioner of Corporate Services will determine whether the Region will continue the process for disposing of the lands and will confirm what risk mitigation measures are to be taken prior to such disposition.

In respect of the environmental condition of the lands, if environmental impacts are identified that constitute non-compliance with applicable laws or exceed current applicable site condition standards published by the Ministry of the Environment and Climate Change pursuant to O. Reg. 153/04, as amended, the lands are to be remediated before disposition of the lands is completed. In certain exceptional circumstances staff may recommend disposition of a property without completing remediation but authority to act in this manner will require written consent of the Chief Administrative Officer or, at the Chief Administrative Officer's direction, the approval of Regional Council.

The Director of Property Services shall ensure that the Region's due diligence and all consequential risk-mitigation measures are performed in accordance with all applicable legislation, regulations, and standards.

#### **Step 3: Determine the Appraised Value of the Lands**

The Director of Property Services will have the lands appraised at such time as the Director determines is appropriate but in any event prior to commencing negotiations or offering the lands for sale. Where the value of the lands is estimated to be over \$100,000 an appraisal prepared by an independent qualified appraiser accredited or certified with the Appraisal Institute of Canada is required. If the value of the land is estimated to be \$100,000 or less an appraisal may be prepared either by a qualified Regional staff member or an independent qualified appraiser accredited or certified with the Appraisal Institute of Canada, as the Director of Property Services determines.

#### **Step 4: Determine the Market for the Lands**

The Director of Property Services will assess whether there is a general or a more limited market demand for the lands.

Lands with general market demand will be lands that may be of interest to a broad range of potential purchasers and will be disposed of in accordance with Steps 5-8.

Lands with limited market demand will be of interest to a limited number of potential purchasers; for example, where the development potential of the lands is limited due to



## **Sale and Other Disposition of Regional Lands**

### **Insert Most Recent Approval Date**

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the lands' dimension or location. Lands with limited market value will not be offered on the open market and compliance with Steps 5 and 6 is not required.

#### **Step 5: Local Municipality or Other Public Authority to Acquire the Lands**

If the Director of Property Services determines that the lands have general market demand, the Director shall prepare a notice advising that the lands are surplus, and the notice will include:

- the location and dimensions of the lands;
- the existing and permitted uses of the lands;
- any special characteristics of the lands; and
- the date by which expressions of interest in the lands are to be received, which is to be 30 days from the date of the notice unless otherwise determined by the Director of Property Services.

The Director of Property Services shall circulate the notice to the Clerk of the local municipality in which the lands are located. If an expression of interest is received from the local municipality within the time stipulated in the notice, the Director of Property Services shall commence negotiations with the local municipality for the disposition of the lands. If no expression of interest in the lands is received from the local municipality, or if negotiations cannot be concluded, the Director of Property Services shall circulate the notice to:

- the York Region District School Board;
- the York District Catholic School Board;
- the conservation authority having jurisdiction, including Toronto and Region Conservation Authority and the Lake Simcoe Region Conservation Authority;
- Infrastructure Ontario; and
- any other public authority who may have an interest in the lands as determined by the Director of Property Services.

If an expression of interest is received from any of these public authorities within the time stipulated in the notice, the Director of Property Services shall commence negotiations for the disposition of the lands with those public authorities expressing an interest.

## **Sale and Other Disposition of Regional Lands**

### **Insert Most Recent Approval Date**

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#### **Step 6: Notice to the Public and Marketing the Lands**

Lands that are to be sold on the open market must be openly and widely marketed. The Director of Property Services shall choose a method of marketing the lands that provides as much notice as possible that the lands are for sale and which takes into account the unique characteristics of the lands, which may include:

- public tender or auction; or
- listing of the lands with a real estate broker.

#### *Public Tender/Public Auction*

Where the lands are marketed through public tender or public auction a reserve bid must be set that is equal to or higher than the appraised value.

If the lands are offered for sale by public tender, the Regional Clerk shall receive offers until the deadline specified in the advertisement, all offers shall be opened in public, and a written record of all offers received must be prepared.

If the lands are offered for sale by public auction, the auctioneer must be retained in compliance with the Region's Purchasing Bylaw.

If the reserve bid is not met, the Director of Property Services may negotiate the sale of the lands with bidders in the order of their bid amount from highest to lowest.

#### *Listing the Lands with a Licensed Real Estate Broker*

Where the Director of Property Services determines that it is in the Region's interest to retain a licensed real estate broker to market the lands, the lands may be marketed using the services of a licensed real estate broker provided that:

- the broker is retained in compliance with the Region's Purchasing Bylaw;
- the list price of the lands is equal to or higher than the appraised value; and
- the lands are listed on the Multiple Listing Service (MLS) for a minimum period of 14 days. Only after this 14 day period may the Director of Property Services consider offers to purchase the lands and commissions will be paid only when the transaction is complete.

#### *Notice*

Except where lands are listed with a licensed real estate broker, the Director of Property Services shall ensure that:

## **Sale and Other Disposition of Regional Lands**

### **Insert Most Recent Approval Date**

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- notice of the Region's intention to sell the lands is published in a local newspaper on at least one occasion prior to their sale. The notice shall include a map clearly identifying the location of the lands; and
- a "for sale" sign is posted on the lands.

The newspaper notice and the sign shall include:

- the proposed date of the sale; and
- the name and contact information of the party handling the sale.

If the lands are marketed using a licensed real estate broker any of the following by the broker will constitute sufficient notice for the purposes of this policy:

- the listing of the lands on MLS;
- the advertisement of the lands for sale in a local newspaper at least once; or
- the placement of a "for sale" sign on the lands.

#### **Step 7: Acceptance of Offers**

The Director of Property Services shall receive and consider all offers to purchase lands made in compliance with the terms of this policy. The Director of Property Services may negotiate any offer until, in his or her opinion, the offer represents the best offer that can be achieved having regard to all of its terms and conditions.

The Director of Property Services shall notify the Commissioner of Corporate Services when negotiations are complete. If the Commissioner of Corporate Services is satisfied that the offer represents the best offer that can be achieved, the Commissioner of Corporate Services may recommend the offer to the Chief Administrative Officer. The Chief Administrative Officer may authorize the offer provided that: (i) the appraised value of the lands does not exceed \$500,000; and (ii) the value of the offer made represents at least 90% of the appraised value of the lands.

No land shall be disposed of where the appraised value of the lands exceeds \$500,000 unless Council approves the disposition.

There is no obligation to recommend or accept any offer, even if the offer is made for the appraised value of the lands.

No land shall be disposed of for less than 90% of the appraised value unless Council approves of the disposition.

The Commissioner of Corporate Services shall report the disposition of all lands that have been disposed of for \$500,000 or less to the Committee of the Whole, annually.

## Sale and Other Disposition of Regional Lands Insert Most Recent Approval Date

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### *Closing the Transaction*

The Director of Property Services shall consult with the Regional Solicitor concerning the terms of all agreements of purchase and sale, including the inclusion of any covenants where appropriate. Generally, the Region will not make any representations or warranties to a purchaser concerning the suitability of the lands for the purchaser's purpose, or the condition or quality of the lands. A purchaser is responsible for completing its own due diligence to ensure that the lands are suitable for its purposes.

If a purchaser is remediating the lands, the Director of Property Services, in consultation with the Regional Solicitor, shall ensure that the terms of the agreement of purchase and sale require the purchaser to perform the remediation within a reasonable length of time, and to the standards that the Region determines are acceptable. The Director of Property Services will consult with the Regional Solicitor to determine the allocation of costs for the remediation and the form and quantum of security required to secure the purchaser's obligations, if any.

Unless otherwise waived or reduced by the Director of Property Services, the purchaser shall pay to the Region on or prior to the closing of the transaction:

- the administration fee; and
- all of the costs incurred by the Region to dispose of the lands, including legal fees and disbursements, appraisal and survey costs, except for any due diligence costs which will remain the responsibility of the Region unless otherwise determined by the Director of Property Services.

### **Step 8: Report the Disposition of the Lands**

The Region's *Tangible Capital Asset Policy* sets out how the disposition of the lands is recorded for accounting purposes. Within 30 days following closing of the transaction, the Director of Property Services shall report the proceeds of disposition to the Controllership Office in a manner that complies with the *Tangible Capital Asset Policy*. When reporting the transaction, the Director of Property Services shall identify the lands disposed of and provide an allocation of the proceeds between the lands and the structures affixed to the lands.

In accordance with Generally Accepted Accounting Principles (GAAP), the Controllership Office will calculate the accounting gain or loss associated with the disposition for reporting on the Region's financial statements.

Regional lands are Regional assets and are not considered assets of individual departments. Unless otherwise governed by any pre-existing obligations or agreements such as funding agreements and joint-use agreements, the net proceeds realized from the disposition of the lands will be allocated in accordance with the Surplus Management Policy contained within the *Reserve and Reserve Fund Policy* and the

## **Sale and Other Disposition of Regional Lands**

### **Insert Most Recent Approval Date**

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same will be recorded in accordance with the *Tangible Capital Asset Policy*, or as directed by Council.

### **Conflict of Interest**

Council members, officers, and Regional staff may purchase surplus lands only if:

- the method of purchase is open, public, and transparent; and
- all the requirements of this policy and any other applicable Regional policy are met.

Responsibilities:

### **The Chief Administrative Officer**

- Determines the use of lands when more than one Regional department or entity has expressed an interest in the lands
- Authorizes offers for \$500,000 or less made by third parties to purchase Regional lands

### **The Commissioner of Corporate Services**

- Determines whether property is surplus
- Recommends offers to purchase lands to the Chief Administrative Officer where appropriate
- Reports the disposition of lands for \$500,000 or less to the Committee of the Whole, annually

### **Director, Property Services Branch**

- Ensures due diligence on the lands is performed
- Obtains appraisals
- Determines how the lands are to be marketed
- Negotiates offers to sell/purchase the surplus lands with potential purchasers and prepares the agreement of purchase and sale using standard Regional templates
- Recommends offers to purchase the lands where appropriate
- Evaluates and reports to Council

**Sale and Other Disposition of Regional Lands**  
**Insert Most Recent Approval Date**

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**Legal Services**

- Advises on matters relating to the sale of lands including due diligence
- Approves agreements of purchase and sale
- Completes the transaction after Council, or its delegate, approves the disposition

**Non-Compliance with Policy:**

Non-compliance with this policy may result in disciplinary action, up to and including termination, or legal action.

**Reference:**

*Municipal Act, 2001, s.106 and s.270*

Reserve and Reserve Fund Policy Edocs No. 5509389

Tangible Capital Asset Policy Edocs No. 2881245

**Contact:**

Director Property Services Branch, Corporate Services Department, at ext. 71685

**Approval Information:**

<b>Council Approval Date:</b> [REDACTED]	<b>Committee Name:</b> [REDACTED]
<b>Council Minute No.:</b> [REDACTED]	<b>Report No.:</b> [REDACTED]
<b>Extract eDOCS #:</b> [REDACTED]	<b>Clause No.:</b> [REDACTED]

**Sale and Other Disposition of Regional Lands**  
**Insert Most Recent Approval Date**

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Edocs No. 6967975

Accessible formats or communication supports are available upon request.

**Sale and Other Disposition of Regional Lands Policy  
Summary of Proposed Policy Revisions**

**Procedural Changes**

<b>Topic</b>	<b>Existing Policy Provisions</b>	<b>Proposed Policy Revisions</b>
Principles governing the disposal of Regional lands	The existing Policy requires that the sale of land is consistent and transparent	The proposed Policy expands the principles to ensure that: <ul style="list-style-type: none"> <li>• The process is fair and open</li> <li>• The Region's interests are protected</li> <li>• The Region realizes maximum value for the lands;</li> <li>• Risks to the Region, the public, and the environment are addressed and managed</li> <li>• Other levels of government and public authorities are offered the opportunity to acquire the lands in furtherance of their public purposes</li> </ul>
Period for Policy review	No period mandated to perform review of Policy	Policy is to be reviewed every 5 years
Notice to other levels of government and public authorities that lands are surplus	All local municipalities within the Region and Public Works and Government Services Canada are notified when lands are surplus	Only the local municipality in which the lands are located will be notified when lands are surplus  Public Works and Government Services Canada will not be notified when lands are surplus

**Substantive Changes**

<b>Topic</b>	<b>Existing Policy Provisions</b>	<b>Proposed Policy Revisions</b>
Due diligence standards	The Director of Property Services, in consultation with the Regional Solicitor, determines if any special legislative or policy provisions apply to the lands	The proposed Policy requires the analysis of <i>all</i> matters which might be reasonably expected to impede the disposal of the lands or present a risk to the Region, the environment or the public (including human health and safety) of which special legislative or policy provisions are only a part of the analysis
Public notice that lands are to be sold	The current Policy does not include a requirement to provide public notice that the lands are for sale	The proposed Policy includes public notice requirements



<b>Topic</b>	<b>Existing Policy Provisions</b>	<b>Proposed Policy Revisions</b>
Increasing authority to accept offers from \$100,000 to \$500,000	The Chief Administrative Officer has authority to accept offers if the appraised value of the lands does not exceed \$100,000	It is proposed that the Chief Administrative Officer has authority to accept offers if the appraised value of the lands does not exceed \$500,000
Procedures to report dispositions	The existing Policy does not specify how and when the sale of lands is to be reported to the Controllership Office	The revisions to the Policy provide that the Director of Property Services will report the sale or other disposition of Regional lands to the Controllership Office within 30 days of the sale
Sale of Regional lands to Council members and staff	The current Policy and the Region's Code of Conduct do not include provisions with respect to the purchase of Regional lands by members of Council or staff	The proposed Policy provides that Council members and staff may purchase Regional lands if: <ul style="list-style-type: none"> <li>• The transaction is open, public and transparent</li> <li>• All requirements of the Policy are met</li> </ul>

### **Minor Amendments and Clarification**

<b>Topic</b>	<b>Existing Policy Provisions</b>	<b>Proposed Policy Revisions</b>
Definition of "disposition"	The exchange or donation of lands, and the release of an interest in lands is not included in the existing definition of "disposition"	The exchange or donation of lands, and the release of an interest in lands is included in the definition of "disposition"
Frequency by which requests to dispose of lands are considered	Director of Property Services considers all requests to dispose of Regional lands each time a request is received, including multiple requests received in respect of the same lands	The Director of Property Services is not required to ascertain whether particular lands are for sale more than once every two years
Circulation	York Region Rapid Transit Corporation, Housing York Inc., York Regional Police are notified that lands are surplus only where the Director of Property Services determines appropriate	York Region Rapid Transit Corporation, Housing York Inc., York Regional Police will always be notified that lands are surplus  YTN Telecom Network Inc. will also always be notified that lands are surplus
Definition of "general market lands"	Currently the definition of "general market lands" means lands of general commercial interest	The definition of "general market lands" has been amended so that "general market lands" are those lands of interest to a broad range of potential purchasers