

SALE OF LAND BELOW MARKET VALUE

Paisley

RECOMMENDATION

1. That the sale of surplus road right-of-way, as set out in Attachment 1 of the February 16, 2022, Financial and Corporate Services report FCS00845, be approved, and that the agreement be in form and content acceptable to the City Manager.
2. That the terms and conditions as outlined in Attachment 2 of the February 16, 2022, Financial and Corporate Services report FCS00845, be approved, and that the agreement be in form and content acceptable to the City Manager.

Report Purpose

Executive Committee decision required

Executive Committee is being asked to approve the below market sale of surplus City-owned road right-of-way to support residential development in the Paisley neighbourhood as a priority for long-term City Plan alignment.

Executive Summary

- This report is seeking approval for the sale of surplus, City-owned road right-of-way at below market value to Carma Ltd., as trustee for and in its capacity as general partner of Brookfield Residential (Alberta) LP (the “Buyer”), in alignment with the Principles Surrounding the Disposal of Surplus Road Right-of-Way as outlined in Attachment 3 (the “Principles”).
- The Buyer previously dedicated land for this road right-of-way before the City determined that portions of the road right-of-way are surplus to City requirements.
- The sale will allow the Buyer to incorporate the surplus road right-of-way into their adjacent single-family residential development, increasing the supply of residential real estate in the city boundaries.
- As per sections 70 and 231(9) of the *Municipal Government Act*, the City must advertise proposed City land transfers for below market value and subsequently have the transfer approved by the appropriate Council Committee following a petition period.

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REPORT

In January 2007, Administration and the Urban Development Institute worked together to determine best practices to dispose of surplus road right-of-way which resulted in the creation of the Principles Surrounding the Disposal of Surplus Road Right-of-Way (the “Principles”). The Principles state that land dedicated as road right-of-way and later determined to be surplus, shall be returned to the original owner for \$1.00. Although situations like this are not common, such transfers are subject to approval by Executive Committee as they are outside of Administration’s delegated authority.

On October 30, 2014, the Buyer dedicated land as road right-of-way as part of the normal process in the Paisley neighbourhood for arterial roadway construction. In February 2021, Administration determined that a portion of the dedicated road right-of-way is surplus to the City’s requirements (Attachment 1). Administration is seeking Executive Committee approval to transfer the surplus road right-of-way back to the Buyer for \$1.00 as per the terms and conditions outlined in Attachment 2 and as outlined by the Principles in Attachment 3.

Budget/Financial Implications

The 2019-2022 Operating Budget did not consider the sale of this road right-of-way for market value. Therefore this below-market value sale will not impact the operating performance reporting of Land Enterprise.

When land is dedicated as road right-of-way, compensation is provided per the Arterial Roads for Development Bylaw 14380. The Buyer will be required to return this compensation to the Arterial Roadway Assessment basin upon the return of the road right-of-way to them.

COMMUNITY INSIGHT

As required by Section 70 and 231(9) of the *Municipal Government Act*, Administration advertised notice of intention to transfer land for below market value in the Edmonton Journal for two consecutive weeks (the weeks of November 19, 2021, and November 26, 2021). The City did not receive any petitions or other public objections during the 60 day petition period. When Administration does not receive sufficient petition during the petition period, Executive Committee can approve the proposed below market value transfer.

ATTACHMENTS

1. Site Plan
2. General Terms and Conditions of the Sales Agreements
3. Principles Surrounding the Disposal of Surplus Road Right-of-Way