

Sale of Land Below Market Value - King Edward Park

Recommendation

1. That the agreement between the City of Edmonton and Jim Chroniaris, Bill Chroniaris and Charlotte Mandelenakis, for the sale of land, for an amount of \$1.00, as outlined in Attachment 1 of the October 1, 2020, Financial and Corporate Services report CR_8416, be approved, and that the agreement be in form and content acceptable to the City Manager.
2. That Attachment 3 of the October 1, 2020, Financial and Corporate Services report CR_8416, remain private pursuant to sections 24 (advice from officials), 25 (disclosure harmful to economic and other interests of a public body) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

Executive Summary

As per sections 70, 231(9) and 606 of the *Municipal Government Act*, proposed City land transfers for less than market value must be advertised and subsequently approved by the appropriate Council Committee after the petition period has expired.

This report is seeking approval for the sale of surplus land according to the terms and conditions outlined in Attachment 1 at less than market value to Jim Chroniaris, Bill Chroniaris and Charlotte Mandelenakis (collectively, the “Buyer”). The land, as shown in Attachment 2 (the “Sale Land”) was acquired by the City in 1959. The Buyer is of the opinion that the City acquired the Sale Land through an error at the Land Titles Office and the City should not have an interest in the Sale Land. The Buyer has requested that the Sale Land be transferred to the Buyer for \$1.00 in order to restore title.

Report

Administration and the Buyer have been in discussions regarding the Sale Land since early 2019. The Buyer owns the lot adjacent to the Sale Land, including the building that has been encroaching onto the Sale Land since it was originally built. The Buyer has approached the City seeking to acquire the Sale Land for \$1.00, as, in their opinion, the City acquired the land through an error at the Land Titles Office. Administration now recommends that Executive Committee approve the less than market value transfer of the Sale Land.

Background

Upon receiving the request to purchase the Sale Land at \$1.00 from the Buyer, Administration first confirmed that the Sale Land was in fact surplus to municipal requirements and available for sale. Upon confirmation, Administration conducted a review of the Sale Land's acquisition history to determine the reasonableness of the Buyer's less than market value purchase request.

The acquisition review identified that the Sale Land was originally acquired in 1959 for the purposes of road widening. Typically, when land is required for road right of way, the City would obtain ownership of the land through the registration of a Road Plan of Survey at the Land Titles Office. This results in the land acquisition area becoming road right of way, meaning, there is no longer a legal description for the land or individual certificate of title that would allow for subsequent transfer/exchange. For this acquisition, a Descriptive Plan for Road Dedication and a Subdivision Plan of Survey were registered within the span of a month. As a result of the City's acquisitions by way of registration of a road plan, a subdivision plan and a transfer of land, the Buyer's adjacent Lot 36 is 20 feet shorter in depth than the neighbouring lots, as shown on Attachment 2. Additional background information related to the acquisition can be found in Attachment 3.

In the early 1960s, the City approved permits to construct the current building that was built on the Sale Land and the adjacent lot owned by the Buyer. Since that time, the building has been in operation and the Buyer, the former owners or their tenants have been in possession of the Sale Land, though no formal agreement with the City is in place.

Next Steps

The Buyer has requested that the Sale Land be transferred to the Buyer for \$1.00 in order to restore title of Lot 36. As per the justification outlined in Attachment 3, Administration recommends that the Sale Land be transferred to the Buyer for a nominal purchase price of \$1.00. Upon approval of this report, Administration will enter into a sale agreement, which has already been executed by the Buyer.

Public Engagement

As per sections 70, 231(9) and 606 of the *Municipal Government Act*, the City advertised the proposed less than market value sale of the subject property to the Buyer for two consecutive weeks, February 27, 2020 and March 5, 2020 in the Edmonton Journal. As no petitions were received during the petition period, Executive Committee can consider approval of a less than market value transfer of the Sale Land.

Budget/Financial Implications

The Sale Land has a nominal book value of \$1.00; as such, if Executive Committee approves this transfer, there would be no writedown required for this asset. This sale was not considered within the development of the 2019-2022 Operating Budget. This below market value sale will not impact the operating performance reporting of Land Enterprise.

Legal Implications

Legal implications are included in private Attachment 3.

Attachments

1. Sale Agreement Terms and Conditions
2. Site Plan
3. Justification for Recommendation and Legal Implications (Private)

Others Reviewing this Report

- B. Andriachuk, City Solicitor