

CITY OF WHITEHORSE

COUNCIL POLICY

POLICY: Land Disposition Policy

PURPOSE: To provide a guideline for the orderly development and disposition of City owned land.

AUTHORITY: Council Resolution #2010-15-08 dated August 23, 2010

Land Disposition Policy

Definitions

“Appraisal” means a method of determining Market Value as of a specified date by a qualified Appraiser as outlined by the Appraisal Institute of Canada.

“Market Value” means the most probable price, as of a specified date, in cash or in terms equivalent to cash, or in precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, and assuming that neither is under undue duress.

“Upset Price” means the minimum price the City will accept for a parcel of land.

General

Land development within the City of Whitehorse has a complex history in relation to what agency or level of government has the responsibility for the planning, design, approvals and ultimate development. In an effort to provided greater clarity of the roles and responsibilities of each party, the City of Whitehorse and Yukon Government entered into a Land Development Protocol in 2006. This document states that the City of Whitehorse will be responsible for the planning, design, consultation and approvals for land development and the Yukon Government will be responsible for the physical development and ultimate sale of the developed land. Through this process, the City is taking a more active role in development of land in Whitehorse.

The City of Whitehorse and Yukon Government have strived to maintain a two year supply of building lots on inventory. This goal was to ensure that the building industry would have a supply of lots to draw upon and the general public would be able to purchase a lot of their choice over the counter as opposed to through a lottery process. The sale of land to the private sector facilitates land development and can generate revenue for the City.

The City is working on various residential development projects located on both Yukon Government and City-owned land. This policy is intended to provide guidance on how disposition of City-owned land will take place.

Development Areas

Residential development is occurring on both Yukon Government and City owned land. In accordance with the Land Development Protocol the City of Whitehorse is undertaking the planning consultation design and approvals on both Yukon Government and City owned land.

In addition to lots in these new development areas, the City may wish to dispose of lots that are within or adjacent to existing neighbourhoods. These lots may be for residential, mixed-use or commercial uses and will need the proper zoning and Official Community Plan designation for development.

Disposition Procedure

The City has several options on how to dispose of land. The process selected will depend on the type, size, zoning and servicing of the lot. Lots will be sold at Market Value, unless otherwise directed by Council, in a manner that will allow all interested parties an equal opportunity to purchase a lot.

Lottery Process

The lottery process may be used for single family and duplex lots that are serviced, appropriately zoned and are otherwise ready for residential development. The City will establish the sale price for each lot in advance of the lottery.

- (1) Only one application per person will be accepted and must be accompanied by an application fee and an administration fee.
- (2) Applicants must be at least 19 years of age and must have been a Yukon resident for at least six months prior to the lottery date. Proof of residency must be demonstrated by the applicant's possession of a Yukon Health Care Card.
- (3) Applicants are ineligible from entering a lottery if they hold an existing residential land sale agreement with the City.
- (4) In each lottery, only one lot will be awarded per person.
- (5) Successful lottery applicants will be required to provide a deposit amount as specified in the lottery package to secure the purchase of the lot being offered. For unsuccessful applicants, the administration fee will be refunded. Successful applicants who are offered a lot and decline to purchase the offered lot will not get the administration fee back. For successful applicants who accept the lot being offered, the administration fee will be applied as a deposit towards the purchase price of the property being purchased.
- (6) Successful lottery applicants are ineligible from entering into another City land lottery for two years past the date of the successful lottery date.

Bid Process

The bid process will be used on multiple family, townhouse, commercial, industrial and mixed-use lots or parcels of un-serviced land for future development and subdivision by

a private developer. A Request for Bids will be issued and lots will be sold to the highest bidder.

- (1) A Request for Bids will be issued describing the lots, setting an upset price and listing any specific conditions that may apply. Each bid must be accompanied by a deposit in the form of a certified cheque equalling 10% of the total lot price. The details of this requirement will be set in the Request for Bids.
- (2) Once the highest bidder has been identified, the City and the successful bidder will then enter into a sale agreement. This agreement will set out the closing date for the sale which will typically be set at 90 days past the date of the sale agreement and at which time full payment for the lot will be required prior to transfer of title. A purchaser identified in a sale agreement will have the option to return the lot within the 90 day timeline prior to closing and have the 10% deposit refunded, less a \$500 administrative charge retained from the deposit amount. A purchaser may not re-apply for the same lot within 30 days of the lot being returned to the City. The City may agree to a time extension of a sale agreement subject to an increase to the administrative charge, equalling 50% of the deposit amount, which will be retained by the City if the lot is returned at any time during the extended period.
- (3) Bidders can submit bids on more than one lot. This may, for example, be desirable as it allows for a larger building which could take advantage of an economy of scale and be more efficient in terms of heating costs when compared to several stand-alone buildings.
- (4) In the event of a tie, the first bid received will be successful.

Unsold Lots from Lottery and Bid Process – Over the Counter Sales

Lots not sold through the lottery and bid process may be sold over the counter after notification is provided in newspapers for two successive weeks.

Counter Draw

Applicants will have until 2:00 p.m. on the first day of lots being released over the City counter to express their interest in a specific lot or lots. No lots will be sold until this time. If by 2:00 p.m., two or more applicants are interested in the same lot, a draw process will be utilized to ensure fairness in the land disposition process. Applicants (or their authorized agents) must be present at the City counter in order to qualify for the draw process. The draw will occur on the same day at 2:00 p.m.

Any lots remaining will be available over the counter until sold or withdrawn by the City.

Proposal Process

This process is similar to the bid process except that prospective purchasers will be required to submit a proposal outlining the planned development. A Request for Proposals would be issued outlining the City of Whitehorse specific development goals, evaluation criteria and upset prices for all lots up for sale. Proposals may be submitted for more than one lot.

- (1) The proposals would be reviewed and the lot would be awarded to the proposal that best satisfies the established development criteria. The City and the selected purchaser would then enter into a sale agreement.
- (2) In some cases, bringing an amendment forward to City Council for the appropriate zoning may be the responsibility of the purchaser.

Lot Enlargement Process

In some instances, land may be sold to the public for lot enlargements to existing properties. Each lot enlargement request is reviewed on a case by case basis by the City's Development Review Committee (DRC). When requests for public land are received, the merits of the development initiatives are evaluated by the DRC along with factors which might warrant the land's restricted use and/or retention by the City. Conversely, reasons to deny or limit disposition might include anticipated City land needs, projected land requirements by other government agencies, local community interests, compatibility with adjacent land uses and environmental risks. Upon review of the application for land, the DRC will make a recommendation on whether the land application merits presentation to Council.

- (1) Application criteria that is taken into consideration as part of a lot enlargement request includes but is not limited to the following:
 - (a) Enlargements that legitimize historical land use that dates back to the origins of the property.
 - (b) Enlargements that result in an increase to a lot's conformity in relation to the City's Official Community Plan and/or Zoning Bylaw.
 - (c) Enlargements that correct an unusual development related hardship that has been imposed upon an owner through the irregular configuration or shape of a lot or through unusual topographic constraints.
 - (d) Enlargements involving land that is not viable for sale on its own or could not be developed as a stand-alone parcel.
- (2) As a general rule, administration will refuse lot enlargement applications where one or more of the following criteria exist:
 - (a) Rear yard enlargements to existing single family residential lots located in established neighbourhoods.
 - (b) Lot enlargements that would enable subdivision potential which did not exist prior to the enlargement process.
 - (c) Enlargements to country residential lots where the lot area meets or exceeds the minimum lot area required under the current zoning regulations.
- (3) If a lot enlargement application is supported by this policy, administration will prepare a disposition sketch that will be used by the applicant to acquire an appraisal. The appraised value will be incorporated into a draft sale agreement that will require the endorsement of the applicant prior to presentation to Council.

- (4) City Council makes the final decision on the land disposition through the bylaw process. Land will be sold at Market Value. All costs associated with the land appraisal, land surveying and preparation of the land transfer documents will be paid for by the applicant in addition to the value of the land.

Land Valuation

Prices for the lots would be based on Market Value as determined by an appraisal completed by an independent appraiser or on the cost of development, whichever is higher. For lots sold by lottery, prices for each lot will be listed in the lottery information package. For lots sold using a bid or proposal process an upset price will be established.

Council may decide to use prices below Market Value for the purposes of facilitating a below-market price development or to expedite sale of any land.

Sale Agreement & Schedule

Once a lot is awarded, the purchaser will enter into a sale agreement with the City of Whitehorse. The sale agreement can specify timelines for development and can include an "option" for the City to re-acquire the lot(s) at the original purchase price less fees and costs if the purchaser does not comply with the terms of the agreement. Additional terms not covered by this Policy may be added as directed by Council. A Development Agreement may also be required to set out further conditions such as servicing standards, residential densities and timelines.

Payment

Payment for the lots would occur according to timelines set out in the sales agreement. Title to the lots would be transferred to the purchaser once full payment has been received.

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