

	City of Lacombe Industrial Land Sales Policy	
	Policy Number:	<i>69.201.01 (14)</i>
	Approval Date:	<i>July 15, 2014</i>
	Effective By:	<i>Upon Approval</i>
	Supersedes:	<i>69.201.01 (13)</i>
	Revision Date:	<i>July 15, 2014</i>
	Review Date:	
	Department:	<i>Community Economic Development</i>
	Reference:	<i>69.201.01 (13)</i>

Purpose of Policy

To provide direction on the development, marketing and sale of city owned industrial zoned land.

Policy Statement

The objectives of the Land Sales Policy are:

1. Ensure that an inventory of industrial zoned land is available in the community ready for development.
2. Ensure that industrial land sold by the City is for development purposes and not land speculation.
3. Ensure that City owned land is sold at market value.

Applicability

This Policy applies to all industrial land sold by the City of Lacombe.

Definitions

- a. "Chief Administrative Officer" shall mean the Chief Administrative Officer (CAO) of the City of Lacombe appointed under the City of Lacombe Bylaw 58 or designate.
- b. "Council" shall mean the municipal Council of the City of Lacombe.
- c. "Development" means the development of the Lands including the construction of a building.
- d. "Land" shall mean any land which is developed or can be developed for industrial land use to which the City has title or is entitled to acquire.

e. "City" shall mean the City of Lacombe

Procedure

1. The prices of the sale of lands held by the City are established in Schedule "A" of this Policy.
2. Sale of Land shall be subject to the following conditions:
 - a) Land shall only be sold to Purchasers who agree to construct a building on the Land;
 - b) Land shall not be sold to Purchasers who do not commit to build on the Land;
 - c) It will be a condition precedent of any sale of Land that the Purchaser will build within the time set out in subparagraph(e) hereof;
 - d) The purchaser shall construct a building on the land complying in all respects with the provisions of the Development Permit issued by the City, but in any event being of a size of not less than 5% of the total area of the Land;
 - e) Where more than one parcel of Land is purchased, as a condition of sale, the titles shall be consolidated;
 - f) The Purchaser shall commence the construction of an approved building within 18 months of the date of execution of a Land Sale Agreement entered into with the City and shall complete the approved building within 30 months of the date of execution of a Land Sale Agreement entered into with the City; and
 - g) The Purchaser shall enter into the City's standard Land Sale Agreement, satisfactory to the City.
3. The following procedure shall apply to the Purchase of Land:
 - a. Land must be paid for in full prior to possession and prior to issuance of a development permit by the City
 - b. Full payment can be made at time of sale or based on the following payment schedule:
 - i. 5% deposit payable upon signing of agreement;
 - ii. 5% deposit payable upon removal of conditions (maximum 60 days of signing of agreement), at which time, all deposits become non-refundable; and
 - iii. Balance on closing (30 days from date of conditions or on delivery of title whichever is later, plus applicable GST); and
 - c. A land transfer will be issued upon request when land is paid in full. A Land transfer can be issued for mortgage purposes under specific trust conditions.
 - d. All proceeds are to be paid to the City of Lacombe or the city solicitor in trust.

4. The City shall pay a sales commission to any licensed real estate agent arranging the sale of Land based on the following conditions:
 - a. Where the City has hired a real estate agent to arrange sales of Land:
 - i. The sale must be completed with land transferred to the purchaser by the City;
 - ii. The total commission to be paid will be that as established in the real estate agent agreement; and
 - iii. Payments between the City's real estate agent and the Purchaser's agent shall be negotiated between the two agents.
 - b. Where the City has not hired a real estate agent to arrange sales of Land:
 - i. The sale must be completed with land transferred to the purchaser by the City;
 - ii. The buyer must notify the City of an appointed agent in their proposal in order for the commission to apply; and
 - iii. Total commissions will be paid out on the following structure:
 1. 5% on the first \$100,000;
 2. 3% for \$100,001 to \$500,000; and
 3. 1% for \$500,001 and up.
5. Prior to completing a Land Sales Agreement, the Purchaser shall satisfy the City that the Purchaser is aware and understands:
 - a. that the Lands are sold in an "as is condition" and the City makes no warranty or representation as to the environmental condition of the Lands or the land's suitability for any particular purpose;
 - b. the improvements to the Lands that may be required by the proposed development of the Lands by the Purchaser;
 - c. the Purchase Price for the Lands includes the following:
 - i. Sanitary Sewer and water services on a right of way adjacent to the lands;
 - ii. Natural gas and electrical power utilities on a right of way adjacent to the lands;
 - iii. The construction of a road and storm drainage ditch adjacent to the lands. The City's obligations is limited to a road of a minimum gravel standard without curb or gutter or sidewalk;

- iv. The site is stripped, filled and graded to a sub grade level which shall be +/- 100 millimeters from the levels indentified on the "as built" grading plan for each lot.
- d. the Purchase Prices does not include the following:
- i. cost of sewer, water or natural gas services connections, or secondary electric power supply;
 - ii. cost of sewer, water, back flow preventers for water services, natural gas, electrical services;
 - iii. any cost associated with stripping, grading, drainage, landscaping or site finishing in addition to that identified sub-clause 5(c)(iv);
 - iv. cost to enter into site from road.
6. Offers to Purchase that contain conditions or terms other than required by this policy, shall be referred to Council. However, notwithstanding the provisions of this Policy, the Chief Administrative Officer may recommend to Council or Council may consider on its own initiative the terms and conditions of any sale or lease.
7. The Chief Administrative Officer, in the exercise of his or her discretion and acting reasonably, may:
- a) relax or adjust the payment schedule set out in this Policy when he or she deems this advisable to promote a sale.
 - b) extend the date to commence or complete construction of a building when he or she considers there is good reason to do so.

Mayor

Chief Administrative Office

Schedule "A"

The Sales price for serviced industrial land within the Len Thompson Industrial Park Phase II shall be calculated based on a price of \$ 265,000 per acre.

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