



# TOWN OF THREE HILLS

## POLICY # 900

### MUNICIPALLY OWNED AND RESERVE LAND HELD FOR SALE OR LEASE

Adopted by Council on: May 23, 2023  
Resolution No.: 121-2023

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#### 1. PURPOSE

- 1.1. The purpose of this Policy is to formalize the standards that will allow the Town to effectively enter into Sale Agreements or Lease Agreements with private landowners and businesses for residential and non-residential land designated as:
  - 1.1.1. Municipal Reserve;
  - 1.1.2. Environmental Reserve;
  - 1.1.3. School Reserve;
  - 1.1.4. Public Utility Lots; or
  - 1.1.5. Road right-of-way.

#### 2. AUTHORITY

- 2.1. The authority for this Policy is by resolution of the Council of the Town of Three Hills.
- 2.2. The CAO is accountable and responsible for the development, evaluation, and implementation of this Policy.
- 2.3. The CAO reserves the right to exercise appropriate managerial judgment to take such actions as may be necessary to achieve the intent of this Policy.

#### 3. DEFINITIONS

- 3.1. Whenever the singular masculine gender is used in this Policy, the same shall include the feminine and neutral gender whenever context requires.

#### 4. POLICY

- 4.1. Lands will be sold or leased to purchasers or lessors in a fair, timely, and consistent manner, pursuant to this Policy.

4.2. Pricing

- 4.2.1. All prices for Lands will be approved by Council resolution.
- 4.2.2. All prices for Lands shall be set in accordance with Section 70 of the *Municipal Government Act*, as amended.

4.3. Advertising

- 4.3.1. One or a combination of the following means of advertising shall be used:
  - i. Town website;
  - ii. On-site signage
  - iii. Newspaper advertisements
  - iv. Other methods, as determined necessary.

4.4. Lease of Lands

- 4.4.1. In consideration of land use and operational needs, the Town may lease select Town-owned Lands provided that:
  - i. The Lease Agreement does not extend past five (5) years in length;
  - ii. The Lands shall be leased at Fair Market Value; and
  - iii. The Lease Agreement includes terms and conditions to terminate the agreement to ensure the availability of the Lands for Town purposes.

4.5. Sale of Lands

- 4.5.1. Lands available for sale or lease will be determined by Council and will be subject to the provisions of this policy.
- 4.5.2. Lands will be sold on a first-come, first-served basis.
- 4.5.3. There shall be no options to purchase or expressions of interest considered.
- 4.5.4. There shall be a limit of two (2) parcels of Lands per purchaser, unless otherwise approved by Council.
- 4.5.5. Offers less than ninety-five percent (95%) of the listed price shall be subject to Council approval.
- 4.5.6. Any value obtained from a sale is to be reinvested into future land development activities.
- 4.5.7. The sale of Lands that is for the purpose of development shall attempt to maximize the community benefit to the Town by promoting the creation of new employment or other economic development benefits.

- 4.5.8. The sale of Lands for land banking shall not be allowed. For the purpose of this policy, land banking shall mean an area of land owned by a person or organization that is considered an asset because it could be used for building property on in the future or for its sale for profit at a higher value than the original purchase price.

4.6. Terms of Purchase

- 4.6.1. Eligible purchasers shall execute a completed purchase agreement and provide a fifteen percent (15%) deposit.
- 4.6.2. If the purchaser requires time to secure financing, a “subject to” clause, will be included in the agreement, but must not exceed thirty (30) days.
- 4.6.3. The balance of the purchase price, and any applicable GST, will be due ninety (90) days from the date of execution of the agreement by the Town.
- 4.6.4. Notwithstanding the above, the CAO has the authority to allow up to a sixty (60) day extension.
- 4.6.5. For residential and non-residential Lands, the Purchasers must obtain development and building permit approval and commence development on the Lot within twelve (12) months of the date of title being transferred to the Purchasers.
  - i. If, for any reason, the purchaser does not commence development on the Lot within the period specified in section 4.6.5., the Town shall have the option to purchase the Lands back at 80% of the purchase price less legal fees and expenses incurred by the Town. A caveat will be registered on title.
- 4.6.6. For all Urban Reserve Lands, Purchasers must present and have adopted by Council, the following:
  - i. an Area Structure Plan (ASP) within twelve (12) months (if differing from an existing approved ASP); and
  - ii. a Development Agreement within twenty-four (24) months of the date of title being transferred to the purchaser.
- 4.6.7. If, for any reason, the purchaser does not complete the ASP or Development Agreement within the period specified in section 4.6.6., the Town shall have the option to purchase the Lands back at 80% of the purchase price less legal fees and expenses incurred by the Town. A caveat will be registered on title.
- 4.6.8. Purchasers shall ensure that all development and/or construction complies with the bylaws and policies of the Town, other governing bodies, boards and entities or agencies.

4.7. Deposits:

- 4.7.1. Full deposit refunds will be issued to the purchaser upon receipt of a letter from a financial institution denying the purchaser financing.
- 4.7.2. A purchaser requesting a refund of a deposit for any other reason will be issued a refund, less fifteen (15%) percent representing an administration fee, within the first ninety (90) days after completion of a purchase agreement.
- 4.7.3. No refund shall be issued after the first ninety (90) of completion of a purchase agreement.

4.8. Title Transfer:

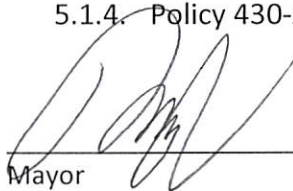
- 4.8.1. The Town shall transfer title of the Lands to the purchaser when the purchase price has been paid in full.

4.9. Commissions:

- 4.9.1. The Town will pay a three percent (3%) commission to any licensed realtor holding a valid Town of Three Hills business license that accompanies and assists a purchaser in entering a purchase agreement with the Town. This commission will be payable upon transfer of title of the selected Lands to the purchaser.

5. **PRIOR POLICY**

- 5.1. This policy shall supersede and replace all prior policies, oral or written, regarding the lease or sale of public lands within the Town of Three Hills, including but not limited to:
  - 5.1.1. Policy 360-A2 – Residential Lots Held for Resale Policy – Sunrise Estates
  - 5.1.2. Policy 380-A1 – Non-Residential Lots Held for Resale Policy
  - 5.1.3. Policy 420-A1 – Sale or Lease of Public Land Policy
  - 5.1.4. Policy 430-A1 – Urban Reserve Land Held for Resale

  
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 Mayor

  
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 Chief Administrative Officer

Effective On:	May 23, 2023	121-2023
Review Date:	May 23, 2026	