



Policy Name: Disposition of Real Property
Administrator: Manager of Real Estate & Land Development
Approval Date: August 12, 2014
Effective Date: August 12, 2014
Next Review Date: August 2019
Approval Authority: Council

1. Policy Statement

The City of Kingston shall dispose of surplus real property in a transparent and accountable manner that maximizes its social, economic, environmental and cultural return to the City. Section 270 of the “Municipal Act, 2001” affirms that the municipality shall adopt and maintain a policy with respect to the sale and other disposition of land. In addition, the general direction for this Policy is further set through Section 9.9 Land Acquisition or Disposal, City of Kingston Official Plan (2010).

2. Purpose

To ensure that in accordance with the Municipal Act and the intent of the City’s Official Plan, transparent and accountable processes are followed in the disposal of all real property and that returns are in the best interests of the City.

3. Definitions

Affordable Housing Lands – real property acquired for the Affordable Housing Land Acquisition and Disposition Program in support of the Municipal Housing Strategy and resold subject to an Affordable Housing Agreement.

Appraisal – a written opinion prepared by staff of the City of Kingston or an independent certified appraiser that provides a reasonable estimate of current market value of real property.

Disposal - the sale of any of the City’s real property, or exchange of the City’s real property for other real property. Disposal does not include the leasing or licensing of City-owned real property.

Delegated Authority – authority to approve the disposal of real property pursuant to the Delegation of Authority By-law 2014-141, as amended from time to time or any other delegation of authority approved by Council.

Employment Lands – real property acquired for employment uses in support of the Industrial Land Sale Policy and Delegation to the Chief Administrative Officer and being resold subject to an Industrial Land Sale Agreement with net proceeds to be deposited to the Industrial Land Reserve.

Market value – the highest amount that real property might be expected to realize, if sold in the open market by a willing seller to a willing buyer.

Real property – land and all improvements including buildings.

Surplus real property – real property that has been declared surplus by City Council.

4. Persons Affected

This policy applies to the Corporation of the City of Kingston, its Councillors and all employees including students, interns, volunteers and any agents or assigns authorized to dispose of real property on behalf of the City.

5. Responsibilities

City Council

City Council approval is required to declare real property surplus and for the disposal of real property, including any limited interest therein, except where the approval has been delegated pursuant to the Delegated Authority.

Mayor and City Clerk

As directed by City Council, the Mayor and the City Clerk execute agreements for the disposal of real property and other documents as may be necessary in a form satisfactory to the Director of Legal Services upon approval of the disposal of the surplus real property.

Commissioner of Corporate & Strategic Initiatives

The Commissioner of Corporate & Strategic Initiatives may have authority to approve the disposal of real property in accordance with the provisions of the Delegated Authority.

Director of Legal Services

Director of Legal Services or his/her designate, is responsible for providing legal services and advice on real property transactions, including the approval of all documents required to execute real property disposal and has authority to undertake all legal proceedings required to complete a disposal of real property.

Real Estate & Land Development Division (RELD)

The City's Real Estate & Land Development Division (RELD) under the direction of the Commissioner of Corporate & Strategic Initiatives shall undertake the disposal of real property in accordance with this policy unless otherwise directed by City Council and will oversee and administer the application of this Policy to ensure that all policy requirements are met.

6. Policy Applications

This policy applies where real property is disposed of by the City of Kingston.

6.1 General

Real property shall be disposed of at market value.

Notwithstanding the previous sentence, City Council may, unless prohibited by the Municipal Act authorize the disposal of real property at less than market value if, in its opinion, it is in the best interests of the City to do so.

All City-owned real property is a corporate asset and not an asset of any individual department. Net revenues received from the disposal of any real property shall be deposited to the City's Municipal Capital Reserve, unless otherwise directed by City Council.

This policy shall not apply to the disposal of real property which is the subject of an agreement entered into by the City for the provision of municipal capital facilities pursuant to section 110 of the Municipal Act.

This policy shall not apply to the sale of land pursuant to the Community Improvement Plan for Brownfields, Project 1A, 1B and 1C pursuant to section 28 of the Planning Act

This policy shall not apply to the disposal of Affordable Housing Land or Employment Lands which are governed by separate policies and procedures approved by Council.

A surplus closed road allowance shall be disposed of in the same manner as any surplus real property, in accordance with this policy.

The granting of easements shall be at fair market value but are not required to be declared surplus nor is public notice of their intended granting required.

6.2 Conditions for the Disposal of Real Property

Unless otherwise stated in this policy, the following four conditions must be met before the disposal of any real property:

- The real property shall be declared surplus by City Council.
- Notice of the intent to declare surplus and dispose shall be provided to the public.
- The City shall undertake due diligence investigations as deemed necessary and in accordance with corporate policies to evaluate the costs, risks and benefits of the proposed disposition to assist in making a decision in the best interest of the City.
- At least one (1) appraisal of the real property shall be prepared.

6.3 Notice of Intent to Declare Surplus and Dispose

Prior to the disposal of any real property, notice of the intent to declare surplus and dispose shall be provided to the public in compliance with the City's Public Notice Policy.

No notice shall be required for real property that is re-purchased by an owner in accordance with Section 42 of the Expropriations Act.

6.4 Appraisals

At least one (1) appraisal estimating the market value of the property shall be prepared.

Where the estimated value of the real property is more than \$100,000, an appraisal from a certified appraiser must be obtained.

Where the estimated value is in excess of \$1,000,000, two (2) independent appraisals from certified appraisers are required.

The requirement to obtain an appraisal shall not apply to the disposal of real property 0.3 metre or less in width, acquired in connection with an approval or decision under the Planning Act.

7. Related Procedures and Forms

Procedures for Disposition of Real Property 2014

8. Related Policies, Legislation and By-Laws

City of Kingston Official Plan, 2010

Director of Legal Services and City Solicitor By-law 2010-179

Municipal Housing Strategy, 2012

Affordable Housing Land Acquisition and Disposition Program Policy, 2013

Industrial Land Sale Policy and Delegation to CAO, 2000

Public Notice Policy, 2013

Community Improvement Plan, Brownfield Project Areas 1A, 1B, 1C, last amended 2013

Ontario Municipal Act, 2001

Ontario Expropriations Act, 1990

Ontario Planning Act, 1990

Delegated Authority By-law 2014-141

9. Revision Schedule

This policy and its associated procedures shall be reviewed in five (5) years. Records of revision will be kept in the table below.

Date (month, day, year)	Revision details	Section Heading