



Land Sales Policy

Policy No. L-00-09

Date: March 22, 2021

Purpose:

To ensure compliance with the Municipal Government Act and to encourage growth and orderly development that complies with Town policies and bylaws.

Procedures:

Disposal of Town Owned Land

1. The Purchase Price of all parcels of land shall be set by resolution of Council.
2. Council shall set the Purchase Price at or above market value which shall be determined by the most recent municipal property assessment, or appraised value, or any other method determined by Council, unless exempted by Section 70 of the MGA.

Section 70(1) If a municipality proposes to transfer or grant an estate or interest in

- a) Land for less than its market value, or*
- b) A public park or recreation or exhibition grounds,*

the proposal must be advertised.

(2) The proposal does not have to be advertised if the estate or interest is

- a) to be used for the purposes of a public utility,*
- b) transferred or granted under Division 8 of Part 10 before the period of redemption under that Division, or*
- c) to be used by a non-profit organization as defined in section 241(f).*

Hold on Municipal Lots

1. Fully developed lots may be placed on hold by a potential purchaser for 60 days by paying a deposit of 10% of the total sale price.
2. The deposit may be refunded at any time upon request.
3. After 60 days the purchaser must immediately proceed with an "Offer to Purchase and Development Agreement".
4. All refunds will be subject to the Town withholding a \$100.00 administrative fee.
5. Undeveloped lots that are scheduled for development will be handled in a similar manner with the deposit value and hold dates set by Council Resolution.



Sale of Residential/ Commercial/ Industrial Lots

The Town may elect to develop parcels of land for sale to the general public and contractor/ builders for the purpose of constructing single-family dwellings, and commercial or business ventures. The parcels may be developed with access to utilities such as water, sewer, power and gas as applicable to the development.

In order to encourage orderly growth and prevent inordinate delays in construction and development the Town will require an "Offer to Purchase and Development Agreement" be signed by the purchaser of a parcel (Schedule A) with the following procedures:

1. Land sales shall be offered on a first come first served basis.
2. Transfer of Land shall not occur until purchaser has made full payment plus any fees assigned.
3. Purchaser shall have two options for obtaining Transfer of Land:
 - A. Provide a down payment of 10% of the Purchase Price of the parcel with balance due upon **Completion of Construction**.
 - i. **Commencement of Construction** must occur within 12 months (365 days) of signing Offer to Purchase or the agreement shall be cancelled, and deposit forfeited.
 - ii. **Completion of Construction** must occur within 24 months (730 days) of signing Offer to Purchase or the total purchase price shall increase by 10% annually thereafter.
 - iii. The Purchaser shall agree to pay all property taxes and utilities on both the land and improvements that are incurred after acceptance of agreement.
 - B. To facilitate immediate Transfer of Land the purchaser must provide full Purchase Price **plus** a 10% deposit.
 - i. **Commencement of Construction** must occur within 12 months (365 days) of signing Offer to Purchase or the Purchaser shall forfeit the deposit.
 - ii. **Completion of Construction** must occur within 24 months (730 days) of signing Offer to Purchase or the Purchaser shall forfeit the deposit.
 - iii. The deposit may be refunded upon Completion of Construction.
4. **Commencement of Construction for a residential dwelling** shall mean that all the basement walls/ foundation and the entire sub-floor be completed and in place.
5. **Commencement of Construction for a Commercial/ Industrial** property shall mean that footings/ foundations are in place and development permits, approvals, and safety code permits of at least **\$200,000** are in effect.



6. **Completion of Construction for a dwelling** shall mean when the development is ready for occupancy as determined by Safety Codes Inspector or Development Officer.
7. **Completion of Construction for a Commercial/ Industrial** property shall mean when the development is ready for occupancy with building permits of at least **\$200,000** closed.
8. Purchaser may name another party to receive the Transfer of Land upon signing a "Transfer of Land Waiver" (Schedule B).
9. Time extensions may be granted at the discretion of Town Council.
10. A purchaser who fails to comply with the conditions in current or previous purchase agreements may be prohibited from purchasing additional lots at the Town's discretion.

Document Approvals

1. Offer to Purchase and Development Agreement may be approved and signed by the Chief Administrative Officer or Designated Officer.
2. Transfer of Land documents must be signed by both the Chief Administrative Officer and Chief Elected Official.
3. Hold on Lots may be accepted by designated office staff.

Goods and Services Tax

GST shall be applied to the price of all land sales unless the purchaser possesses a GST Registration number, in which case GST will not be applied.



Schedule A
Offer to Purchase and Development Agreement
Option 1: Deferred Payment

WHEREAS:

_____ ("**the Purchaser**") agrees to purchase from the Town of Bow Island ("**the Town**"), in the amount of \$ _____, (**Purchase Price**) plus GST as applicable, the following property legally described as:

LOT
BLOCK
PLAN

EXCEPTING THEREOUT ALL MINES AND MINERALS
(the "land or lot")

The Town has agreed to allow the Purchaser, subject to terms and conditions:

- i. to defer payment of the balance of the purchase price for the lot; and
- ii. to obtain a development and building permit in order to commence construction.

NOW THEREFORE in consideration of the payments made of \$ _____ (**Deposit**), and subject to the terms and conditions hereinafter set forth, the parties hereto acknowledge and agree as follows:

1. The Town agrees that the payment of the balance of the Purchase Price for the lot shall be deferred for a period up to 24 months (730 days) from the date of this Agreement.
2. Upon execution of the within Agreement, the Town will authorise the issuance of a development and building permit for the construction on the lot, provided that all other building and development requirements have been satisfied.
3. Upon execution of the within Agreement, the Purchaser agrees forthwith:
 - a. To fulfil Commencement of Construction within 12 months (365 days) of the purchase date.
 - b. To fulfil Completion of Construction within 24 months (730 days) of the purchase date.
4. In the event the Purchaser does not fulfil Commencement of Construction requirement within 365 days this agreement shall become void and any deposit made shall be forfeited by the Purchaser.

Purchaser Initial



5. In the event the Purchaser does not fulfil the Completion of Construction requirement within 730 days, both parties agree that the Purchase Price of the lot shall increase by 10%, and by a further 10% every year thereafter that Completion of Construction has not been fulfilled.

Purchaser Initial

6. **Commencement of Construction** for a residential dwelling shall be mean that all the basement walls/ foundation and the entire sub-floor be completed and in place.
7. **Completion of Construction** for a dwelling shall mean when the development is ready for occupancy as determined by Safety Codes Inspector or Development Officer.
8. **Commencement of Construction** for a Commercial/ Industrial property shall mean that footings/ foundations are in place and development permits and building permits of at least **\$200,000** are in effect.
9. **Completion of Construction** for a Commercial/ Industrial property shall mean when the development is ready for occupancy with building permits of at least **\$200,000** closed.
10. Items which are normally adjusted such as real property taxes, utilities, rent and interest shall be assumed by the Purchaser. The Purchaser agrees to pay all property taxes on both the Land and Improvements that are incurred during the deferred payment period.
11. The Purchaser agrees to obtain liability insurance and Workers Compensation during the duration of this agreement, with respect to the land and construction of improvements.
12. The Purchaser will abide by all Federal, Provincial, and Municipal laws and absolve the Town of all responsibility in failure to follow any laws or statutes.
13. The parties acknowledge and agree that the land and all improvements made thereon shall remain the property of the Town until the balance of the purchase price, taxes, and any other items have been paid in full.

DATED the _____ day of _____, AD 20_____.

Purchaser

Town of Bow Island



Schedule A
Offer to Purchase and Development Agreement
Option 2: Initiate Title Transfer

WHEREAS:

_____ (“**the Purchaser**”) agrees to purchase from the Town of Bow Island (“**the Town**”), in the amount of \$ _____, (**Purchase Price**) plus GST as applicable, the following property legally described as:

LOT
BLOCK
PLAN

EXCEPTING THEREOUT ALL MINES AND MINERALS
(**the "land or lot"**)

The Town has agreed to allow the Purchaser, subject to the payment of the Purchase Price and of a deposit in the amount of 10% of Purchase Price, to obtain certificate of title of the Lot.

NOW THEREFORE in consideration of the payment of the Purchase Price and of \$ _____ (**Deposit**) and subject to the terms and conditions hereinafter set forth, the parties hereto acknowledge and agree as follows:

1. Upon execution of the within Agreement, and payment of Purchase Price plus Deposit, the Town shall immediately initiate a Transfer of Land under the Land Titles Act for the Lot.
2. The Purchaser agrees forthwith:
 - c. To fulfil Commencement of Construction within 12 months (365 days) of the purchase date.
 - d. To fulfil Completion of Construction within 24 months (730 days) of the purchase date.
3. In the event the Purchaser does not fulfil Commencement of Construction requirement within 365 days any deposit made shall be forfeited by the Purchaser.

Purchaser Initial

4. In the event the Purchaser does not fulfil the Completion of Construction requirement within 730 days any deposit made shall be forfeited by the Purchaser.

Purchaser Initial



5. **Commencement of Construction** for a residential dwelling shall be mean that all the basement walls/ foundation and the entire sub-floor be completed and in place.
6. **Completion of Construction** for a dwelling shall mean when the development is ready for occupancy as determined by Safety Codes Inspector or Development Officer.
7. **Commencement of Construction** for a Commercial/ Industrial property shall mean that footings/ foundations are in place and development permits, approvals, and building permits of at least **\$200,000** are in effect.
8. **Completion of Construction** for a Commercial/ Industrial property shall mean when the development is ready for occupancy with building permits of at least **\$200,000** closed.
9. Items which are normally adjusted such as real property taxes, utilities, rent and interest shall be assumed by the Purchaser.

DATED the _____ day of _____, AD 20____.

Purchaser

Town of Bow Island



**Schedule B
Transfer of Land Waiver**

WHEREAS:

The Purchaser of a Land under Policy L-00-09 has entered an Offer to Purchase and Development Agreement with the Town of Bow Island for the following property:

Lot _____

Block _____

Plan _____

AND WHEREAS the Purchaser has paid the balance owing of the Purchase Price and is directing the Town to assign the Certificate of Title to an alternate party named as:

DATED the _____ day of _____, AD 20_____.

Purchaser