



Real Property Acquisition and Disposition Policy

Department:	Corporate Services
Division:	Realty and Property Services
Section/Function:	N/A
Approval Level:	Council
Effective Date:	February 13, 2023
Revision #:	

1.0 Purpose

The purpose of this policy is to establish and maintain a consistent and equitable framework for the acquisition and disposition of real property and real property interests that support Council approved projects, programs, policies and strategic plans.

2.0 Policy Statement

The City of Belleville acquires real property rights, as required, for municipal purposes consistent with the City mandated programs, projects, policies and strategic plans. The City of Belleville will acquire and dispose of real property rights in a transparent, fair, reasonable, competitive, and consistent process to ensure the best interests of the City are met.

3.0 Definitions/Acronyms (As Required)

For the purposes of this policy:

“Acquisition” means the obtaining of interests in Real Property through purchase or other means of acquiring Real Property interests deemed appropriate by the City.

“Appraisal” means a written opinion of the current Fair Market Value of property, the conditions and limitations at the time of the opinion or estimate of value. An individual accredited by the Appraisal Institute of Canada, either internal City staff or an outside appraiser, may prepare the Appraisal. The form and content of the report shall be at the discretion of the Manager Realty and Property Services.

“Asset Rationalization” a process to support decision-making related to the acquisition, remediation or disposal of real property, in a cost effective manner, while assuring that essential program and service delivery objectives are not compromised.

“Capital Projects” have funding or budgets in place and are included in the City’s Capital Budget.



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“Client Department” a City department that is a client of Realty and Property Services and requires a real property for an approved program or project.

“City” means the Corporation of the City of Belleville.

“Disposal/Disposition” means the sale, transfer, conveyance or exchange of the fee simple interest in land or the granting of a lease for a term of twenty-one (21) years or longer, and does not include the granting of an easement or right of way.

“Donation” means a voluntary gift of Real Property, given without compensation or consideration.

“Due Diligence” any activities required prior or during the acquisition of real property that will effectively assist in the decision-making process of the acquisition and will provide a thorough understanding of the potential asset.

“Easement” reflects the acquisition of property rights either on the surface, above or below ground and can be permanent or temporary and identifies a specific use or interest in land. Certain interests in land are transferred from one party to another, consisting of the right to use or control the land, or an area above or below it, for a specific limited purpose. a partial interest in real property and may or may not be registered on title.

“Encroachment” means any type of vegetation, man-made object or item of personal property which exists wholly or upon, or extends from a person’s premises onto, public lands and shall include any aerial, surface or subsurface Encroachments.

“Expropriation” means the Acquisition of land pursuant to the Expropriations Act of Ontario.

“Heritage Easement” means an easement granted from a property owner to the City in order to protect the heritage aspect(s) of the property, granted pursuant to the Heritage Act of Ontario.

“Highest and Best Use” that use, which, at the time of the appraisal, is most likely to produce the greatest net return, in money or amenities, over a given period of time.

“Land” means real property owned by the City of Belleville.

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

“Needs Assessment” a client report documenting the need for and purpose of acquiring real property.



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“Property Identification Number (PIN)” Every Ontario property has been assigned a unique 9-digit electronic identification number for unique numerical indexing of legal description-based property identification.

“Public–Private Partnerships” legal agreements between government and private sector entities, for the purpose of providing public infrastructure, community facilities and related municipal services. Assuming that neither is under undue duress.

“Real Property” real property includes land, buildings, anything that is erected or growing on or affixed to the surface of the land, minerals and anything subsurface, and all rights issuing out of, annexed to, and exercisable without or about land such as leases, licenses, mortgages, air rights, easements and rights of access.

“Real Property Rights” any right, interest or benefit in land, but is not limited to, fee simple acquisitions, leases, licenses, options, permits, air rights, density transfers, permanent easements, rights-of-way, linear corridors, and other limited interests such as joint-use agreements, temporary working easements, access easements, permissions to enter and construct, and any other legal binding agreement related to the acquisition of property rights for the City of Belleville.

“Section 30 Agreement” an agreement between the City and the owner of a property, or a legal right or interest in property, which is made pursuant to the statutory authority of section 30 of the *Expropriations Act*, R.S.O. 1990 c. E.26, as amended from time to time, wherein the said owner consents to the acquisition of the subject property in exchange for a payment or other consideration to the said owner, and wherein said consideration is acknowledged to be without prejudice to an application by the said owner to the Local Planning Appeal Tribunal for determination of the compensation (in whole or in part) to which the owner would be entitled by the *Expropriations Act* if the land had been expropriated, subject to any conditions agreed upon between the parties in the said agreement.

“Surplus” means property that the City no longer requires to meet its current or future needs;



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4.0 Land Inventory

The City will maintain a public register which lists all of the Real Property owned by the municipality. The following classes of Real Property are not listed in the public register:

- Highways and roads
- Open road allowances
- Stopped-up highways and roads
- Reserves of 0.3 metres (1 foot) or less in width, and
- Easements Acquisition Considerations Real Property Acquisitions will be conducted with consideration of the following:
 - Acquisition Required For Municipal Purposes Real Property – Acquisitions are restricted to Acquisition of land and interests which are required for municipal purposes or in support of Council-approved programs, projects and policies.

5.0 Application

5.1. Accountability:

The Director of Corporate Services is responsible for:

- Rendering decisions where the interpretation of this policy by Realty and Property Services is disputed,
- Approving the terms and conditions if Council has approved issuance to finance the Acquisition of Real Property,
- Ensuring all applicable managers/supervisors are aware of this policy and of any subsequent revisions, and;
- Ensuring compliance with this policy.

5.2. **The Manager of Realty and Property Services** is responsible for:

- Ensuring all applicable staff are aware of this policy and of any subsequent revisions,
- Ensuring that all applicable legislative requirements have been met,
- Ensuring compliance with this policy and that the City acts at all times in the best interest of the public, with a view to transparency and fairness of process, and;



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- Ensuring all required information that may affect value or use is obtained from appropriate staff prior to approval of Real Property transactions.

5.3. Environmental Services is responsible for:

- Providing technical support and recommendations to the Manager Realty and Property Services in determining if Real Property should be subject to an environmental investigation prior to Acquisition or Disposal,
- Coordinating environmental investigations, as required, and assessing potential environmental liabilities and associated risk, and;
- Ensuring compliance with PSAB 3260 – Accounting for Liability for Contaminated Sites.

5.4. City Legal Services is responsible for:

- Providing legal support to Realty and Property Services as required for the drafting of legal documents and agreements,
- Search of title and registration of all documents on behalf of the City.
- A third party does not have permission to draft or register documents on title (PIN) Parcel Identifier Numbers) on behalf of the City.

5.5. This Policy applies where real property rights are acquired by the City. Any rights of interest or benefit in land including but not limited to fee simple acquisition, permanent easements, encroachments, rights of way, stop up and closure of roads and linear corridors. Limited interests under this policy include joint-use agreements, temporary working easements, access easements, permission to enter and construct and any other binding agreement relating to the acquisition of real property rights.

5.6. Acquisitions

This policy does not apply to the following types of Acquisitions:

- Real Property dedicated to the City either through development applications or cash in lieu/parkland dedications, Public Open Space; and Applications for Development of Contaminated or Potentially Contaminated Sites
- Real Property acquired by the City through vesting by reason of tax arrears pursuant to the *Municipal Act*, 2001



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All Real Property transactions require the approval of Council for the City. Where Council approval is required, the transaction may be considered at a closed session of Council if permitted under the *Municipal Act*, 2001. The City’s Real Property is managed along clearly defined lines of delegated authorities and levels of accountability. Risk is managed responsibly, and Council is informed as considered appropriate by the Manager Realty and Property Services. In making its recommendations, the Manager Realty and Property Services shall have regard to the following principles:

- Fiscal Accountability
- Consistency with Corporate Objectives
- Sustainability
- Social Responsibility
- Transparency
- Environmental Responsibility

Fiscal Accountability

The principle of fiscal accountability means that the City will:

- Endeavour to acquire, maintain, preserve, dispose of and otherwise manage Real Property assets to the maximum long term economic advantage of the City.
- Endeavour to retain and maintain Real Property, only when the Real Property interest:
 - has adequate returns in terms of revenue or amenity
 - is not easily replaced with a more efficient interest
 - can be operated within existing budget parameters - adequately fulfills the function for which it was acquired or
 - has been identified as having “strategic hold” value for future use
- Endeavour to minimize costs while realizing revenue from the Disposal or Lease of nonessential, under-utilized properties
- Obtain the best value when acquiring Real Property, giving due consideration to Fair Market Value and to entitlements under the Expropriations Act, where applicable, and



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- Dispose of Real Property on the basis of Fair Market Value, unless otherwise approved by Council.

Consistency with Corporate Objectives

The principle of consistency with corporate objectives means that the City will acquire, retain, maintain, renovate and improve properties only when those properties clearly align with the goals and objectives of the City's Official Plan, Capital Budget and departmental approved business plans related to the provision of City mandated programs. City mandated programs are services, products or facilities which are owned, operated, or purchased in fulfillment of City objectives and delivered to the public.

Sustainability

The principle of sustainability means that the City will endeavour to retain Real Property only when:

- Returns in terms of revenue/amenity are cost neutral or better
- Service need is constant or growing, and
- The condition of the Real Property is such that it can be used and maintained on a low maintenance and low risk basis.

Social Responsibility

The principle of social responsibility means that the City:

- Has a duty to provide service and support, where there is no other viable service provider, and where there is a clearly articulated City desire to fill a need, or to foster and promote programs of inclusion and accessibility. The City's social responsibility may form the basis for Real Property transactions of a nature other than Fair Market Value, provided they are ancillary to Council-approved programs
- Will endeavour to provide safe, healthy and accessible facilities for occupants, and
- Will endeavour to protect and preserve the environmental value and/or cultural heritage of the property



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Transparency

The principle of transparency means that the City is committed to using consistent, transparent and equitable processes in acquiring and disposing of Real Property.

Environmental Responsibility

The principle of environmental responsibility means that the City will consider:

- The environmental condition of Real Property and any potential remedial costs, and
- If the environmental condition of Real Property presents any potential risk to the City

5.7. Disposals

This policy does not apply to the following types of Disposals:

- The sale of lands for municipal tax arrears purposes pursuant to the Ontario Municipal Act, 2001
- The re-conveyance of lands to the owner, or successor in title, who conveyed the land gratuitously to the City by virtue of the terms of a Development and Servicing Agreement.

5.8. Responsibility for Acquisitions

The Manager Realty and Property Services is responsible for Real Property Acquisitions. All Acquisitions of Real Property interests under the Ontario Municipal Act, 2001 are to be undertaken by the Manager Realty and Property Services. The Manager Realty and Property Services will conduct their responsibilities in accordance with the acquisition considerations outlined in this policy and by direction from the Director of Corporate Services.

5.9. Acquisition Process

The Manager Realty and Property Services will initiate an acquisition process upon receipt of a written request from any City department. All such requests should be supported by a departmental needs assessment or capital project/program or Provincial Order explaining the rationale for the acquisition, a form of Council authority or proof of approval through the current or capital budget process. A budget for the program or project should be identified, where applicable, inclusive of the cost to acquire the



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necessary property component and setting out the operational budget impacts prior to the Manager Realty and Property Services conducting the acquisition. Where Council has approved the issuance of a debt instrument to finance the Acquisition of Real Property, the terms and conditions of the debt instrument must be approved by the Director Corporate Services. The Manager Realty and Property Services will investigate the market to determine suitable alternatives to meet the end user's needs. The final decision on the site selection rests with the end user department.

5.10. Assessment of Property

Before acquiring any Real Property, the Manager Realty and Property Services will consult with other City departments through an internal circulation process and may coordinate an assessment by appropriate staff or an external consultant as to the property's physical, structural and environmental condition, cultural heritage, existing restrictions, encumbrances, liabilities, tax implications or any other important characteristic which may impact on value or use.

5.11 Acquisition at Fair Market Value

The Manager Realty and Property Services will acquire Real Property at the lowest possible negotiated cost and greatest economic advantage to the City. When the acquisition is part of an unsolicited purchase in support of a City-mandated program (e.g. for a road widening) land may be acquired on the basis of Fair Market Value and entitlements, as defined by the Expropriations Act.

5.12 Appraisal

All Acquisitions must be accompanied by a current Fair Market Value Appraisal completed by a registered member in good standing of the Appraisal Institute of Canada who have completed the admission requirements of Appraisal Institute of Canada and also participate in the Professional Liability Insurance Program of the Appraisal Institute of Canada.

5.13 Agreement of Purchase and Sale

Upon selection of a site by an end user department and successful negotiations, the Manager Realty and Property Services shall instruct Legal Services to prepare and/or review an appropriate agreement. When the agreement has been fully executed, it is transferred to Legal Services for completion of the transaction with executed copies provided to the City Clerk and the Manager Realty and Property Services.



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5.14 Environmental Investigations

The Manager Realty and Property Services, in consultation with Environmental Services and the client department, may require that Real Property being considered for acquisition, regardless of the method of acquisition, be subject to an environmental investigation, which must be completed prior to completion of the transaction. All such investigations are to be completed in accordance with any applicable Ministry of the Environment and Climate Change standards and undertaken in such manner and of sufficient level, so as to meet the requirements of the City's insurer.

5.15 Heritage Properties

When acquiring Real Property that may have cultural heritage value, the Manager Realty and Property Services will consult with Heritage Planning staff, to understand the implications of the property's heritage status. The Manager Realty and Property Services will be responsible for:

- Confirmation of the City program(s) to be implemented at the property
- Identification of the desired long-term use of the property
- The client department will provide to the Manager Realty and Property Services: Assessment of the impact on the City of the operational costs of the property, and
- Development of an asset management plan, which forecasts the capital renewal and reinvestment requirements to preserve the property, including actual or potential funding sources.

5.16 Methods of Acquisition:

Real Property interests may be acquired through any of the following methods:

- Negotiated agreements
- Land exchanges
- Charitable Donations
- Expropriation
- Transfers from another level of government
- Competitive bid request



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5.17 Negotiated Agreements

Negotiation is the preferred method of obtaining Real Property and will be completed in consultation with the City’s Legal Services.

5.18 Land Exchanges

When an acquisition is pursued in support of Council approved programs, projects and policies and it is determined that an exchange of City owned Real Property is in the best interests of the City, negotiations shall be initiated based on the Fair Fair Market Value of the respective Real Properties, pursuant to this policy.

5.19 Charitable Donations

The City may accept a Donation of Real Property if an appropriate municipal purpose has been identified for the property and upon City Council’s approval. The Manager Realty and Property Services will advise the Director Corporate Services as to the appropriateness of accepting the Donation.

5.20 Expropriation

The City has the authority to expropriate land in accordance with the provisions of the *Expropriations Act* where negotiation has failed to produce an agreement. Section 30 of the *Expropriation Act* may be used where project requirements must be met in a timely manner. The Mayor and applicable councillor shall be informed of any contemplated expropriation. Expropriations prior to the report recommending approval to “Give Notice of Application to Expropriate” is brought to Council by the Director of Corporate Services. The City Legal Services shall undertake the process of Expropriation on behalf of the City in consultation with the Manager Realty and Property Services.

Section 30 Agreements

Where project requirements must be met in a timely manner or where negotiation is unsuccessful or not possible, the voluntary acquisition of lands through the use of a Section 30 Agreement pursuant to the *Expropriations Act* may be considered.

5.21 Transfers from another Level of Government

The City may acquire Real Property as the result of a transfer of jurisdictional authority from one level of government to another (e.g., transfer of highways, boat launches, etc.).



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5.22 Disposal of Property Responsibility for Disposal of Properties

The Manager Realty and Property Services is responsible for Real Property dispositions, including the selection of the appropriate disposal method for the property. All Disposals of Real Property are to be undertaken by the Manager Realty and Property Services. The Manager Realty and Property Services will conduct their responsibilities in accordance with the disposal considerations outlined in this policy and under direction from Council and the Director of Corporate Services.

5.23 Disposal Process

The Manager Realty and Property Services, in consultation with other City departments, will identify potential properties for Disposal and:

- Ensure that the property is declared surplus
- Initiate an Appraisal to determine the property Fair Market Value
- Initiate an environmental investigation, where deemed applicable, in consultation with Environmental Services and the client department and undertake remediation as may be required, and
- Initiate such other investigations and commission such other reports as may be deemed appropriate by the Manager Realty and Property Services in consultation with other City departments.

5.24 Declaration of Property as Surplus

Real Property may not be disposed of unless it has been declared surplus to the requirements of the City and included in a corporate report to City Council, which will include notice of the City’s intention to dispose of the Surplus Property.

Note: The requirement to declare surplus prior to disposal does not apply to the following:

- Grant of Easement interests, including Easements to be transferred to the City of Belleville
- Disposal of one-foot reserves



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- Re-conveyance to the owner, or successor in title, who conveyed the land gratuitously by virtue of the terms of a Development and Servicing Agreement, provided all costs to recover the lands are borne by the owner
- Status Report on City Surplus Property Realty Services will report to City Council identifying the status of all properties that have been previously declared surplus by City Council. Reporting will be every 18 months or as directed by City Council.

5.25 Appraisals of Surplus Property

All Disposals will be subject to an Appraisal except:

- Subject to the discretion of the Manager Realty and Property Services, sales involving the following classes of property:
 - reserves of 0.3 metres (1 foot) or less in width
 - stopped-up highways and walkways
 - landlocked properties if being sold to an abutting owner
 - property acquired under Section 42 of the Expropriations Act, if being sold to an owner from whom the land was taken
 - Abandoned cemeteries
 - Sales to public bodies (Boards of Education, Hydro One Utilities, Ontario Hydro, Conservation Authorities and the Provincial and Federal Government), and
 - Sales to private bodies where the deemed value of the Surplus Property is less than \$50,000, as determined by Appraisal commissioned by the Manager Realty and Property Services and cost recovered by the purchaser.

5.26 Priority of Offerings

The City shall have the right to convey the Surplus Property at Fair Market Value to the party having the greatest priority. For the purpose of assigning priorities, the order shall be as follows:

1. Federal Government
2. Provincial Government
3. County of Hastings



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4. Local School Boards
5. Recognized Authorities.

5.27 Agreement of Purchase and Sale

When an acceptable offer for the Surplus Property has been received, the Manager Realty and Property Services shall instruct the Legal Services to prepare and/or review an agreement. When the agreement has been fully executed, it is transferred to Legal Services for completion of the transaction and executed copies provided to the City Clerk and the Manager Realty and Property Services.

5.28 Cost of Disposal of Surplus Property

All applicable fees and charges shall be recovered from the purchaser on or before the closing date. All other reasonable fees, costs and expenses incurred by the City, even if the property is sold at a nominal value, shall be recovered from the purchaser on or before the closing date, unless the sale was initiated by the City and the costs have been waived by the Director Corporate Services.

5.29 Proceeds from Disposal of Surplus Property

Proceeds from the Disposal of Surplus Property will be credited to the following accounts:

- Property Reserve Fund
- A departmental account from where the original acquisition of the property was funded, as directed by the Director Corporate Services or as otherwise directed by Council.

5.30 Disposal Considerations

The Disposal of Real Property will be carried out with consideration for the following:

Market Value All Disposals of Real Property must be at least at 90 per cent of Fair Market Value, unless an exception is provided in this policy and Council has approved the transaction. Reports to Council recommending Disposals at less than 90 per cent of Fair Market Value must:



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- Clearly state the Fair Market Value of the Surplus Property to be transferred and not realized and the reasons for such a decision
- Identify the purchaser, and
- In the event of a Lease of 21 years or more, fully disclose all important or financial terms and conditions therein.

5.31 Transfers to Another Level of Government

Where an offer is received from another level of government, board or authority and the City disagrees with the Fair Market Value determined by the other level of government, the City may agree to either:

- Elect to have the Fair Market Value estimated by a third-party Appraisal, negotiate and amend the offers accordingly, or
- Start negotiating with the next purchaser, in priority order:
 - Federal Government
 - Provincial Government
 - County of Hastings
 - Local School Boards
 - Recognized Authorities

5.32 Disposal of Land Acquired through Gratuitous Dedication or Donation:

Where the City has acquired Real Property through a gratuitous dedication as a condition of a development application or through a Donation, and the Real Property becomes Surplus Property, the City may consider the following options:

- A potential transfer to another level of government, local school board or recognized authority, or
- Re-conveyance to the owner, or successor in title, who conveyed the land gratuitously, provided, at a minimum, all costs to recover the lands are borne by the owner.

5.33 The Disposal of the Surplus Property at Fair Market Value Environmental Investigations



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The Manager Realty and Property Services in consultation with Environmental Services may require an environmental site investigation prior to property disposition to assess any potential liability to the City in disposing of the property. Natural Areas or environmentally sensitive areas identified by the City as being worthy of protection will be transferred exclusively to appropriate organizations, such as conservation authorities or other levels of government.

5.34 Public Highways

Any public highway that is stopped-up, closed and declared surplus shall be offered for sale pursuant to a value established by an Appraisal. It is preferred that the entire portion of the public highway should be sold at one time so as not to leave the City owning portions of the closed public highway. Should one of the adjacent owners choose not to purchase the closed public highway, it may be offered in whole to the other adjacent owner at the same or higher price. In the event the closed road is of sufficient size to be considered a viable property on its own, the City shall have the option, in its sole discretion, of marketing the property as a stand-alone property, with no obligation to offer it to the adjacent owners. However, notice will be provided to the adjacent owner(s) that the property is to be placed for sale on the open market at an appraised Fair Market Value.

5.35 Sale of Heritage Property

Any agreement of sale for a heritage property must contain any necessary special conditions to preserve its heritage status including, but not limited to, a Heritage Easement. Identification, correction or change to the zoning of the property will be completed by the Planning Department.

5.36 Easements

The City may grant an Easement interest:

- If considered appropriate to the relevant City department
- If the granting of the Easement does not render the retained City land no longer viable for the use for which the land was obtained
- If the granting of the Easement does not render the retained City land subservient to the Easement interest, and
- To utilities for existing plant and equipment at the time of Disposal Easement interests are granted at Fair Market Value as established in an Appraisal. However, Easements may be granted gratuitously to another level of government



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or to a utility for existing plant and equipment at the time of Disposal, if it is determined that the location of the Easement has limited or no impact on the future value or future City development of the lands over which the Easement is sought. Notwithstanding the above noted policy respecting the granting of Easement interests.

5.37 Methods of Disposal

The Manager Realty and Property Services will determine the appropriate means of disposal of surplus property based upon criteria such as value, competition, property type and market conditions. The method of Disposal may include:

- Competitive bid process – offered by public bid process in accordance with criteria established by the Manager Realty and Property Services or the Director Corporate Services
- A direct sale to a specific party, as approved by Council
- Land exchange – lands to be exchanged for other lands deemed suitable or necessary for the City at the same or higher value, unless otherwise approved by Council. All proposals will require the approval of City Council by report.

6 Appendix, Related Documents & Links

Note: All references refer to the current version, as may be amended from time to time.

6.1 Pertinent Resources:

- Add content
www.Belleville.ca
- Add content
www.Belleville.ca

6.2 Related Policies:

- Policy ####, Name of Policy
- Policy ####, Name of Policy

6.3 Related Procedures:

- Procedure ####-P##, Name of Procedure



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- Procedure ####-P##, Name of Procedure

6.4 Related Forms:

- Form ####-P##-F#, Name of Form
- Form ####-P##-F#, Name of Form

6.5 Miscellaneous:

- Add content www.Belleville.ca
- Add content www.Belleville.ca

7 Amendments/Reviews

Date (yyyy-mm-dd)	Section # Amended	Comments

Next Review Date:	
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