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**CITY OF**  
*Lethbridge*

## **REAL ESTATE SALES AND LEASES**

### **PURPOSE**

The Council of the City of Lethbridge has a broad mandate to provide good government, develop and maintain a safe and viable community, and supply desirable and/or necessary services to the community. The purpose of this policy is to establish authorization thresholds and accountabilities that supports the land administrative and land development functions of the City of Lethbridge.

### **PERSONS AFFECTED**

City Council/City Manager or Designate

### **POLICY STATEMENT**

It is the policy of the City of Lethbridge that all real estate sales transactions are properly authorized. City Council may delegate approval authority of real estate sales and leases transactions. City Council delegates limited authority to the City Manager or their designate to administer the sale or lease of City of Lethbridge owned real estate in accordance with the following procedures.

### **PROCEDURES**

City Council to approve all real estate transactions; for greater certainty including sale or lease of land (including unsolicited offers) and builder group for residential developments owned by the City of Lethbridge except as specifically delegated by this policy.

#### **Leases**

- a. Delegate to City Manager or Designate the authority to lease land with the following parameters:
  - i. Up to a 10 year term
  - ii. one extension of 5 years
  - iii. monthly lease rate based on the City of Lethbridge's borrowing rate plus 1%

- iv. lease rate is locked for 10 year period, renewal rate will be set by the City of Lethbridge's cost to borrow plus 1% at the time of the renewal
  - v. Lessee has the option to purchase the subject parcel at the market value in effect at the time of the execution of the lease agreement as determined by the City of Lethbridge
  - vi. Leasehold NOT to be used by a non-profit organization as defined in s. 241(f) of the MGA.
- b. Delegate approval authority to the City Manager or their designate where specific conditions apply as stated later in this document under "City Manager or Designate Responsibilities"

## **Sales**

### **Residential**

- a. Delegate approval authority to the City Manager or their designate where specific conditions apply
- b. Establish the price of each residential real estate based on current market conditions
- c. Market residential real estate
- d. Approve the Residential real estate sales transactions in accordance with the following standard conditions:
  - i. Lots shall be sold on an option to purchase basis, requiring a non-refundable option fee of 10% of the listed price
  - ii. The option to purchase shall be for a term up to 120 days with the balance of payment due prior to the issuance of the building permit or the expiration of the option agreement
- e. Grant an extension of the closing date of up to an additional ninety (90) days. Refer any request greater than ninety (90) days to City Council for consideration

### **Industrial/Commercial/Non-Residential**

- a. Recommend market value and/or lease rate of all non-residential real estate to City Council for consideration
- b. Market non-residential real estate
- c. Approve non-residential real estate sales transactions that meet all of the following conditions:
  - i. listed property;
  - ii. land area of five (5) acres or less;
  - iii. non-refundable deposit of 1.5% of list price - minimum \$2,000;
  - iv. closing date is ninety (90) days or less;
  - v. 3% commission up to \$1,000,000 purchase and 1% on the amount greater than \$1,000,000. The Agent has to provide proof that they are actively certified by the Real Estate Council of Alberta at the time of commission payment;
  - vi. Phase 1 Environmental Assessment Report; and
  - vii. Development Permit approval
- d. Refer any transactions not meeting all of the above conditions to City Council for consideration
- e. Grant an extension of the closing date up to ninety (90) days. Refer any request greater than ninety (90) days to City Council for consideration

## **DEFINITIONS**

- a. **Non-Residential** - means commercial, multi-family, public building and industrial real estate. These categories are based on the City of Lethbridge Land Use Bylaw including all Lethbridge Airport lands owned by the City of Lethbridge.
- b. **Builder group** - means a group of builders that has been established through a public proposal process that is approved by City Council. The builder group members have terms and conditions they must follow to fulfill their obligations of the contract.

## **REFERENCES**

- *Municipal Government Act*

## **REVISION/REVIEW HISTORY**

- May 1984: New Document
- September 1984: Revised
- February 1985: Revised
- October 1986: Revised
- October 12, 2010: Revised
- July 20, 2015: removed references to Real Estate and Land Development Manager, changed commission rate; require all unsolicited offers to be approved by City Council; changed option to purchase for residential land to 120 days
- October 19, 2020: Revised to include Leases