



Municipality of Greenstone Policy Manual

Subject: Sale or Other Disposition of Municipal Land

Number: 25-37

Section: Protective and Planning Services

Original Effective Date: July 14, 2025

Last Revised/Approved Date: July 14, 2025

Approval Authority: Council By-Law 25-37 through resolution 25-204

Purpose:

- To establish a transparent and consistent framework for the sale and disposition of municipally owned land, ensuring compliance with the Municipal Act, 2001, and promoting responsible land management

Application:

This policy applies to:

- All lands owned by the Municipality that are declared surplus to municipal needs
- All internal departments and external applicants involved in the acquisition of municipal land
- All land transactions, including direct sales, public tenders, and proposals, excluding tax sale processes governed separately under the Municipal Act, 2001

Policy Statement/s:

The Municipality is committed to the effective management and disposition of land assets to:

- Promote efficient use of public resources
- Encourage community development and investment
- Maximize value for the public while considering strategic and social objectives
- Ensure fair access to municipal land sales through open and accountable processes
- Reflect fair market value
- Ensure transparency and accountability in municipal operations

Definitions:

- **Surplus Land:** Land owned by the municipality that has been declared surplus to its needs
- **Purchaser:** An individual or entity that submits an offer to purchase municipal land
- **Direct Sale:** A sale negotiated directly between the municipality and a purchaser without a public offering
- **Public Tender:** A sale process where the municipality invites bids through a public advertisement
- **Fair Market Value (FMV):** The estimated value of the land as determined by a qualified appraiser or qualified real estate agent, reflecting the price that the property would sell for on the open market
- **Minimum Lot Size:** The minimum area required for a parcel of land to be considered developable under the Municipality's Zoning By-law
- **Desirable Lot Size:** Any parcel equal to or larger than the minimum lot size as defined by the Municipality's Zoning By-law for the applicable zone
- **Development Requirement:** A condition requiring the purchaser to construct a principal building on the land within a specified timeframe
- **Nominal Value:** A token or symbolic price (e.g., \$1.00 or \$100.00) assigned to the land, used when the transaction provides a broader public, strategic, or community benefit. This includes sales to nonprofits, for affordable housing, or to facilitate boundary adjustments or economic development. Sales at nominal value require Council approval and clear justification
- **Disposition:** The act of transferring ownership, rights, or control of municipal land to another party through sale, lease, exchange, or other legal means, whether permanent or temporary

Policy:

1. Declaration of Surplus

- Municipal land may only be sold once it has been declared surplus by Council resolution
- Before declaring land surplus, municipal departments and applicable external agencies must be consulted to confirm no future municipal need

2. Application Process

- Applications must be submitted with the required non-refundable fee as set out in the Municipality's Fees and Charges By-Law
- Proposals must include intended land use and site sketch, and if applicable, development intentions
- Staff circulate applications for internal review and valuation

Refund of Application Fee:

Where an application to purchase municipal land is denied by Council before public notice is issued or legal/administrative work has begun, the application fee may be refunded in full or in part at the discretion of the Chief Administrative Officer

- **Non-Refundable Circumstances:**

The application fee is non-refundable if:

- The sale proceeds to public notice or legal review before Council denial
- The application is withdrawn by the applicant
- The sale is not completed due to conditions not being met by the applicant

3. Appraisal

- All properties must be sold at no less than fair market value unless otherwise authorized by Council (e.g., for affordable housing or community benefit)
- An independent appraisal or assessment is generally required. Appraisals may be waived if:
 - The land is of nominal value
 - The land is sold to a government agency or utility
 - The land is a road allowance being sold to abutting owners
 - The parcel is smaller than the minimum area required for a parcel of land to be considered developable under the Municipality's Zoning By-Law
 - A comparable property has been appraised in the past twelve months

4. Council Consideration of Offers Below Market Value

All offers received below the appraised or market value shall be presented to Council for review only if deemed one of following by the CAO (or designate):

- A significant public benefit or strategic development objective would be achieved
- The land has limited utility or market interest
- The offer includes offsetting contributions (e.g., infrastructure improvements, services)

5. Method of Sale

The Municipality may dispose of land using one or more of the following methods, based on the nature, location, and intended use of the property. The method will be selected based on best value, transparency, and alignment with public interest

- **Direct Sale:** To adjacent owners or specific buyers (e.g., for consolidation) other levels of government, utilities, or where public marketing is impractical or not in the public interest. This method may also apply to land of limited marketability
- **Public Tender or RFP:** Used for competitive bidding or strategic development goals
- **Listing with Realtor:** The Municipality may list land for sale through a licensed real estate brokerage. This method is preferred when properties are of general market interest or require broad exposure to potential buyers. The terms of the listing, including commission rates, must be approved by the CAO
- **Public Auction:** A public sale where land is awarded to the highest bidder, is subject to reserve pricing if applicable. Auctions may be conducted in person or online and must follow transparent procedures approved by the Municipality

- **Land Swap (Land Exchange):** The Municipality may exchange municipally owned land for privately owned land of equal or greater strategic or economic value. Land swaps must be supported by a valuation report and approved by Council
- **Right of First Refusal:** Where appropriate, the Municipality may offer abutting property owners a first opportunity to acquire surplus lands that are impractical for stand-alone development

6. Terms of Sale

- 10% deposit or \$300 minimum, whichever is greater
- Purchasers are responsible for all associated costs, including:
 - Appraisal
 - Legal and administrative fees
 - Land surveys (if required)
 - HST or other applicable taxes
- Closing within 75 days of Council approval

7. Development

- A development plan must be presented for all properties other than those zoned R1 and RU
- Development must be completed within two years of land purchase for all properties other than those zoned R1 and RU unless otherwise approved by Council

8. Land Use Compatibility

It is the responsibility of the purchaser to ensure that any proposed use is permitted under the Municipality's Zoning By-law. Any required planning approvals (e.g., rezoning, severance, site plan) must be obtained at the purchaser's expense after the sale

9. Reserve Fund

Proceeds from sales are directed to the Economic Development Reserve Fund for future municipal use

10. Public Notice Requirements

The Municipality shall provide public notice of its intent to dispose of land, in accordance with **Section 270(1)** of the *Municipal Act, 2001*, and its own Notice By-Law.

- **Content of Notice:**
The public notice shall include:
 - A brief description of the land (legal or civic address)
 - The method of sale (e.g., tender, RFP, direct sale)
 - Contact information for inquiries
 - The deadline for submissions (if applicable)
 - A statement that the land has been declared surplus by Council

11. Exemptions to Public Notice

Public notice may be waived for certain categories of sales, such as:

- Land transfers to other public bodies (e.g., school boards, Crown)
- Boundary corrections or lot mergers
- Closed road allowances sold to abutting owners
- Other exemptions as approved by Council or set out in the Municipality's Notice By-Law

Legislative Requirements:

This policy is governed by and shall comply with:

- **Municipal Act, 2001**, S.O. 2001, c. 25 – particularly Section 270, which requires municipalities to have policies on the sale and disposition of land
- **Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)** – to ensure applicant confidentiality
- **Planning Act, R.S.O. 1990**, and the Municipality's own Official Plan and Zoning By-law – for applicable planning approvals, zoning conformity, and minimum lot size definitions
- **Municipality's Notice By-Law**, governs public notice requirements for surplus land