



CITY OF ST. ALBERT
ADMINISTRATIVE BACKGROUNDER

TITLE: SALE OF CITY OWNED EMPLOYMENT LANDS

On April 4, 2016 Councillor Russell provided notice in accordance with Section 23 of Procedure Bylaw 35/2009 that he intended to bring forward the following motion. At the May 16, 2016 Council meeting Councillor Russell withdrew the motion which is now being brought back for Council's consideration.

In order for Council to debate the motion, the motion must be formally moved.

PROPOSED MOTION(S):

(Councillor Russell)

"That the City place the so called "Employment Lands" on the market with a well known commercial real estate company that will be required to provide the City with a market evaluation with their listing proposal."

BACKGROUND:

Within the Confidential Administrative Backgrounder, attached for reference, from the May 16th, 2016 Council Meeting, Administration put forth two alternatives based on whether the intent of the motion was to market the Employment Lands or to sell the city-owned lands located within the Employment Lands.

Clarification was provided that the intent was to sell the city-owned lands located within the Employment Lands and, as such, the second alternative is replicated below for Council's ease of reference:

An alternate interpretation is that the intent of this motion was to sell just the two land parcels owned by the City of St. Albert if "Employment Lands" is defined as simply the lands owned by the City of St. Albert. It is important to note that the City of St. Albert is simply one owner of many within the Employment Lands and the motion should be changed to reflect the city-owned lands if this is the intent of the motion.

In past, it has been Administration's approach to market and manage land sales internally, this is done because Administration has internal resources to manage the transactional activities, and this approach saves the cost of paying commission to

professional realtors, the commission is typically around 3% of the sale cost so if the city were to sell both parcels for the same price they were purchased for the cost would be approximately \$200,000. The benefits of engaging a realtor to sell the lands are that they would be actively advertising and promoting the land.

However, it is not Administrations recommendation to dispose of the two City owned parcels contained within the Employment lands, because the rational originally presented to purchase the lands continue to be relevant, they are:

- 1. The City has acquired a significant land holding within the Employment Lands that are intended to be used to leverage development;*
- 2. The parcels were purchased at farmland value with the potential for land value escalation (as has been realized with Badger Lands);*
- 3. There is a need for land for land for future municipal needs, and this land was purchased to assist in meeting those needs.*

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