



## COMMUNITY AND GOVERNMENT SERVICES

### MUNICIPAL LAND ADMINISTRATION POLICY

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#### **PREAMBLE**

The Government of Nunavut (GN) will oversee that the disposal of municipal lands is transacted by municipal corporations in ways that are clearly in the public interest by following procedures that are fair and equitable to all concerned.

#### **PRINCIPLES**

This policy is based on the following principles:

- Municipal corporations should be encouraged to assume responsibility for disposal of land to the public, in keeping with the willingness and capability of the municipal corporation.
- In disposing land to the public, a municipal corporation is responsible to reflect community needs and priorities and to apply fair, consistent practices.
- Municipal lands should be recognized as a valuable resource requiring land management practices that encourage growth and ensure optimum use of land through community planning.
- Land development is an essential public service, to be provided through the municipal corporation, wherever possible.
- Land speculation in vacant municipal lands should be discouraged.
- Based on standards prescribed by municipal corporations, new lots should be developed as efficiently and economically as possible.
- Lot prices for newly developed lots should be limited to the recovery of related development costs.
- Existing developed lots should be made available to the public at reasonable prices, no greater than the market value of the land.
- Private land development should be encouraged only when the private developer can ensure the lot price is the same as, or less than, the municipal corporation would charge.

## **SCOPE**

This policy applies to the disposal of municipal lands.

## **DEFINITIONS**

### Available Land

Land shown as vacant in a land ledger administered by each Municipal Corporation.

### Commissioner's Land

Commissioner's land as defined in the *Nunavut Act* (Canada) and the *Commissioner's Land Act*, or Territorial Lands, as defined in the *Territorial Lands Act* (Canada) and administered by the GN.

### Development Costs

The capital costs incurred in developing land, after deducting those infrastructure components that are funded by capital grants or contributions received from the GN. Capital costs may include, but are not limited to:

- (a) Planning and engineering design;
- (b) project management;
- (c) road construction;
- (d) culverts and drainage works;
- (e) sidewalks;
- (f) landfill;
- (g) open spaces;
- (h) piped water and sewer lines;
- (i) electrical distribution lines;
- (j) legal surveys;
- (k) telephone services;
- (l) land acquisition and/or disposal costs; and
- (m) financing and interest charges incurred in developing the land.

### Disposition of Land

The sale, the lease or other disposition of land. (section 3 of commissioners land Act).

### Industrial Users

Users whose primary activity is the manufacture, assembly, or processing of goods or commodities or the exploitation of natural resources.

### Land Administration Agreement

A contract between a municipal corporation and the GN outlining the process, terms and conditions of the transfer of land from the GN to the municipal corporation.

### Lot

A parcel of land, for which development costs have been incurred and which has been duly described by the municipal corporation or legally surveyed for the purpose of lease or other disposition.

#### Lot Lease Price

The price determined by the municipal corporation based on the land development cost as determined by the land administration by-law.

#### Market Value

The value of a parcel of land based on the amount that a willing buyer would pay to a willing seller. Market value shall be determined by a professionally qualified land appraiser or assessor or by public tender or auction.

#### Municipal Corporation

A community governing body incorporated under the *Cities, Towns and Villages Act*, or the *Hamlets Act*.

#### Municipal Lands

Lands within a municipal boundary as defined by Article 14.1.1 of the NLCA

#### Municipality

The geographic area of jurisdiction of a municipal corporation.

#### New Lots

As defined in the relevant Municipal Land Administration By-Law.

#### Off Site Levies

A municipal corporation may set a surcharge on a lease to assist with all or part of the capital costs of new or expanded infrastructure, including land. Although said infrastructure may not be located on the municipal lands being leased, it would benefit the lessee directly, although not exclusively, for example, an improved water/sewage line.

#### Replacement Cost

The estimated development costs for a parcel of land, updated to the current year, representing the cost to develop a similar lot in the municipality, incorporating site-specific factors.

#### Site-Specific Factors

Where applicable, factors may be used by a municipal corporation to add or subtract up to 25 percent of the development costs of new lots or the replacement cost for existing developed lots. These may be:

- (a) size of land parcel;
- (b) site conditions (grade level, amount of landfill, etc.);
- (c) desirability of location (e.g., river, stream or lake, vistas, etc.);
- (d) adjacent land uses; and

- (e) proposed land use.

However, adjustments to lot lease prices may not result in higher total development costs for a particular land development area.

## **ROLES AND RESPONSIBILITIES**

### **1. Minister**

The Minister of CGS may:

- (a) accept an application from a municipal corporation to enter into a Land Administration Agreement;
- (b) negotiate, make and renew Land Administration Agreements in accordance with this policy; and
- (c) approve a municipal corporation's application to price below development costs, lots developed through financing from the GN or a financial institution;

### **2. Deputy Minister**

The Deputy Minister of CGS is responsible for the administration of all provisions pursuant to this policy.

The Deputy Minister (or designate) shall:

- (a) implement Land Administration Agreements made by the Minister;
- (b) monitor municipal corporations' compliance with the provisions of their Land Administration Agreements; and
- (c) arrange for listing and conveying all available surveyed Commissioner's lands to the municipal corporation in accordance with this policy; and will supply municipal corporations with maps, plans and land information as appropriate.

## **PROVISIONS**

### **1. Land Administration Agreements**

- (a) The purpose of a Land Administration Agreement is to enable the Minister to designate a municipal corporation as the sole agent for the disposal of Commissioner's lands to the public, within that municipality.
- (b) The Minister may accept an application from a municipal corporation to enter into a Land Administration Agreement if, in the Minister's opinion, the municipal corporation has capability in:

- (i) general municipal and financial management;
  - (ii) land administration and management; and
  - (iii) community planning and land use control.
- (c) For municipalities with limited experience in land administration and management, the conditions of a Land Administration Agreement may also:
- (i) specify parcels of land that are subject to the Agreement;
  - (ii) require additional reporting by, and monitoring of, the municipal corporation to assist in the evaluation of the agreement; and
  - (iii) limit the length of the agreement.
- (d) The Minister may enter into or renew a Land Administration Agreement with a municipal corporation provided that the municipal council has in force a land administration by-law.
- (e) In implementing a Land Administration Agreement:
- (i) For Commissioner's lands identified in the Land Administration Agreement, the Deputy Minister shall not receive or approve land applications from private individuals, groups, or corporations. This responsibility is transferred to the municipal corporation and a municipal official shall be appointed as land agent under the Commissioner's Land Regulations;
  - (ii) In consultation with the municipal corporation, the Deputy Minister shall arrange for the listing and conveyance of all available surveyed Commissioner's lands to the municipal corporation, subject to the Commissioner's Land Lease Pricing Policy, and subject to the Nunavut Land Claims Agreement.
  - (iii) The Deputy Minister shall supply the municipal corporation with maps, plans and land information as appropriate.

## 2. Municipal Land Administration By-Laws:

The Minister may approve a municipal land administration by-law in accordance with the *Cities, Towns and Villages Act*, or the *Hamlets Act*, provided that the by-law includes the following provisions:

- (a) Land Application Approval Process

- (i) The land administration procedures of a municipal corporation shall be adequate to deal with situations where more than one person has applied for the same land.
  - (ii) A municipal corporation shall not dispose of land to the public until adequate public notice is provided and methods, providing all interested parties with a fair and equal opportunity to acquire the land, are in place.
  - (iii) Notwithstanding Provision 2 (a) ii. new lots shall not be disposed of by auction.
- (b) Advertising Lands for Disposal
- (i) A municipal corporation shall advertise the availability of land in two consecutive issues of a local newspaper, or, where there is no such publication, in notices posted for at least two weeks in five prominent places within the municipality.
  - (ii) A municipal corporation shall keep a ledger listing all lands owned by the municipal corporation (and all lands to be disposed of through the municipal corporation), setting forth the identification and location of each parcel, the lot price, and conditions for disposal and any disposition or commitment made. The ledger, showing current and previous dispositions of land since it was set up, shall be open to the public during normal business hours.
  - (iii) The only exceptions to the requirements for advertising are in regard to:
    - lands which will be retained or re-acquired by the federal or territorial governments;
    - a parcel or remnant of land which can be of use only to an adjoining owner; or
    - a government facility having a specific type of land requirement.
- (c) Terms and Conditions of Land Disposals
- (i) A municipal corporation shall give preference to prospective private homeowners during the first lease of residential lands, over applicants who wish to acquire or develop more than one lot at a time, **except** where lots are required for government, the Nunavut Housing Corporation, or the Canada Mortgage and Housing Corporation.
  - (ii) To discourage speculation in vacant municipal lands, every disposal or commitment of municipal lands shall be in writing. All leases and transfers of land must require the lessee to complete improvements within a maximum period of 24 months, or the land will revert to the municipal corporation. A one-year extension may be approved by a municipal

corporation, under circumstances outlined in the Land Administration By-law.

(d) Pricing of Municipal Lands – General

- (i) A municipal corporation shall recover all development costs.
- (ii) A municipal corporation shall not include, as part of the calculation of lot prices, any development costs paid for by capital grants or contributions received from the GN.

(e) Pricing of Municipal Lands – Specific

A municipal corporation shall price municipal lands for lease or other disposition to the public as follows:

- (i) The pricing of new lots shall be no more than the recovery of related development costs, including site-specific factors. When site-specific factors are used for new lots, the total price for all new lots in a subdivision shall be equal to the total development cost for the entire subdivision.
- (ii) Existing developed municipal lots shall be priced at replacement cost or market value, or at a lower price, determined by the municipal council when unique and exceptional circumstances apply. In calculating replacement cost, the council may consider site-specific factors, where applicable.
- (iii) For those lots not intended to be available for long term lease (e.g., short-term leases of less than five years in duration or certain lots leased to industrial users) as determined by the municipal corporation, the annual lease charge shall be not more than ten percent of the lot price.
- (iv) Notwithstanding Provision 2 (d) i. a municipal corporation may price lots below development cost where the corporation is unable to lease lots at development cost. However, if the lots have been developed through financing from the GN or a financial institution, the municipal corporation must first have approval of the Minister, in writing, to price such lots below development cost.

(f) Off Site Levies –General

A municipal corporation may set a surcharge on a municipal land lease (an off site levy) to help with all or part of the capital cost of all or any of the following:

- (i) new or expanded facilities for the storage, transmission, treatment or supply of water;

- (ii) new or expanded facilities for the treatment, movement or disposal of sewage;
  - (iii) new or expanded storm sewer drainage facilities;
  - (iv) new or expanded roadways and sidewalks; and
  - (v) land required for, or in connection with, any of the facilities described in Provision 2 (f).
- (g) Off Site Levies –Specific
- (i) A municipal corporation shall not include, as part of the calculation of an off site levy, any capital costs paid for by GN capital grants or contributions.
  - (ii) Off site levies can be used to construct facilities directly, though not exclusively, for the benefit of those persons occupying the subdivision in question.
  - (iii) Off site levies shall be clearly identifiable and substantiated by the municipal corporation. The public shall be advised that off site levies are a separate surcharge collected by the municipal corporation together with the lot price.
  - (iv) All off site levy revenues shall be placed in a separate fund account, to be used for the purposes set out in Provision 2 (f).
- (h) Land Development Reserve Fund
- (i) All revenues obtained from the lease or other disposition of municipal lands (other than off site levies) shall be placed in a separate fund account, to be known as the Land Development Reserve Fund. Procedures for the management and operation of the Fund shall be clearly specified
  - (ii) All expenditures by the municipal corporation from the Land Development Reserve Fund shall be for the sole purpose of acquiring and/or developing land.
- (i) Private Sector Development of Municipal Land
- When a municipal corporation transfers leasehold title of land to a private developer to develop lots for eventual lease to the public, it shall follow these provisions:

- (i) The private sector's development costs must be such that lot lease prices equal, or are lower than, the municipal corporation's prices.
  - (ii) To meet Provision 2(i) i., the municipal corporation shall estimate project costs and establish their lot lease prices as if they had developed the land.
  - (iii) If, as a result of the cost estimate prepared pursuant to Provision 2(i) ii., it appears that the private sector can develop land at the same or lower cost than the municipal corporation, the corporation may call for proposals from the private sector to acquire and/or develop land.
  - (iv) The municipal corporation shall develop criteria for evaluating proposals submitted for private land development.
- (j) The Disposal of Vacant Municipal Lands to a Private Developer

The disposal of vacant municipal lands to a private developer will be done by way of a lease which:

- (i) requires the developer to establish a land disposal procedure consistent with municipal land disposal procedures;
  - (ii) requires the developer to dispose of the lots to the public at a price no greater than the municipal corporation would charge if it were the developer of the land, unless otherwise approved by motion of council and formalized by an amendment to the lease. Such amendments shall be consistent with any price increases allowable under municipal land lease pricing procedures; and
  - (iii) specifies the standards to which the land must be developed.
- (k) Transfer of Leasehold Title by Municipal Corporation to Private Developer
- (i) The municipal corporation shall transfer leasehold title of municipal lands to a private developer with appropriate caveats or restrictive covenants in place, to ensure the developer's land disposal procedure and lot lease prices continue to comply with the original municipal lease.
- (l) Quarry and Land Use Management
- (i) The municipal corporation shall establish procedures for land management through land use permits, quarry permits, quarry leases and any other permits deemed necessary by the corporation.
  - (ii) The municipal corporation shall collect a fee per cubic metre of material, sufficient to cover only the cost of quarry development, management and final restoration, including any royalties payable to the Crown.

## **NUNAVUT LAND CLAIMS AGREEMENT**

Nothing in this policy shall in any way be construed to limit the authority of the Nunavut Land Claims Agreement. The Agreement shall take precedence over this policy.

## **PREROGATIVE OF CABINET**

Nothing in this policy shall in any way be construed to limit the prerogative of Cabinet.

## **SUNSET CLAUSE**

This policy shall be in effect from the date of the signature until December 31, 2013.