



## **STAFF REPORT**

**Title:** 2020 Tax Recovery - Terms and Conditions

**Meeting Date:** December 10, 2019

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### **Executive Summary:**

The City has four (4) properties on the three year property arrears list which requires the City to auction these properties by March 31, 2020 as per the Municipal Government Act (MGA) s.418 and s.436.09. Administration has made every effort and followed all legislation leading up to the auction deadline date. In order to move ahead with the final stages of the tax recovery process Council must set a reserve bid and the terms and conditions of the sale as per the MGA s.419. Administration is recommending the attached terms for Council's consideration in order to advertise the conditions within the time limits set out in the MGA. Administration will be presenting the appraisal of these properties to council at a later date in order to set the minimum bid.

### **Background:**

The City currently has four properties consisting of one Designated Manufactured Home, two vacant (medium density) residential lots and one residential house with property tax arrears that must be sold by public auction by March 31, 2020. The outstanding taxes for these four properties total \$77,833.20. These properties will be sold by public auction at City Hall on March 25, 2020 if payment is not received.

In order to meet the advertising requirement in the MGA s. 421 Administration will be sending an advertisement to the Alberta Gazette on January 31, 2020 with details of the properties exclusive of the Manufactured Home to be auctioned and the terms and conditions of the sale as required by the MGA. An advertisement inclusive of the Manufactured Home will also be in the local paper within 10-20 days of the auction. The conditions of the sale is required to be stated on the advertisement.

As per Section 419 of the MGA, Council must set a reserve bid as well as conditions and terms that apply to the sale of a property.

Administration recommends the following terms and conditions for Council's consideration:

- Cash, Bank Draft or Certified Cheque
- 10% deposit is payable upon the acceptance of the bid at public auction
- The balance of the accepted bid is due by March 31, 2020 or the deposit will be forfeited and the City will consider the next bid



Administration will bring the appraised value of the properties to council at a later date for setting of the reserve bid on the properties prior to the auction.

**Alternatives:**

Council may consider the following options:

1. Council may pass a resolution to approve the advertisement with the conditions as presented.
2. Council may direct administration to amend the conditions and pass a resolution for the amendments.

**Recommended Action:**

Administration recommends that Council approves the terms and conditions for the sale by public auction of four (4) properties due to property tax arrears being:

- 5906 Labrador Road;
- Lot 3, Block A, Plan 8521872, Title 142085056;
- Lot 5, Block A, Plan 8521872, Title 142085056001; and
- Lot 21, Block 2 Plan 0726988, Title 112372036

with the terms and conditions that each parcel will be offered for sale, subject to a reserve bid and to the reservations and conditions contained in the existing certificate of title. The property is being offered for sale on an “as is, where is” basis and the City of Cold Lake makes no representation and gives no warranty whatsoever as to the adequacy of services, soil conditions, land use districting, building and development conditions, absence or presence of environmental contamination, vacancy, or the ability to develop the subject land for any intended use by the purchaser. No bid will be accepted where the bidder attempts to attach conditions precedent to the sale of any parcel. No terms and conditions of sale will be considered other than those specified by the City. The City of Cold Lake may, after the public auction, become the owner of any parcel of land not sold at the public auction. Terms: Cash, Bank Draft or Certified Cheque. A 10% deposit is payable upon the acceptance of the bid at public auction. The balance of the accepted bid is due by March 31, 2020 or the deposit will be forfeited and the City will consider the next bid. Redemption may be affected by payment of all arrears of taxes and costs at any time prior to the sale.

**Budget Implications (Yes or No):**

No

**Submitted by:**

Kevin Nagoya, Chief Administrative Officer