



STAFF REPORT

Title: Tax Recovery - Reserve Bid

Meeting Date: February 26, 2019

Executive Summary:

The City currently has four (4) properties with property tax arrears that must be sold by public auction by March 31, 2019 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 and 436.1. Council has already set the terms and conditions of the sale at its January 22, 2019 meeting. The auction date has been set for March 28, 2019 at 5:00 p.m. and has been advertised in the Alberta Gazette as per MGA s. 421. A reserve bid must be set as close as reasonably possible to Market value. Administration is recommending that Council set a reserve bid based on the market value of the properties as per the appraisal report and advertise the auction sale in the local paper as per MGA s. 421

Background:

The City currently has 4 properties with property tax arrears that must be sold by public auction by March 31, 2019. Per the requirements of the MGA s.419 and 436.1, Council must set for each parcel of land and designated manufactured home to be offered for sale at a public auction, a reserve bid that is as close as reasonably possible to the market value of the property to be offered for sale.

Administration conducted an appraisal on the four (4) properties to be offered for sale. The results of the appraisal is as follows:

4-02-063-03 SE – Site 23	Mobile home only	23, 5613 – 53 Avenue	\$4,200
4-02-063-03 SE – Site 39	Mobile home only	39, 5612 – 53 Avenue	\$42,000
Lot 9, Block A, Plan 2859EO	Title 182273472	809 Lakeshore Drive	\$126,000
Lot 3G, Block 12, Plan 9826556	Title 152052966	5312 – 57 Street	\$75,000

To date the city has followed all the requirements of the MGA and has registered a tax recovery lien against the properties. All notifications have been sent to the appropriate parties. Numerous attempts have been made to contact and collect the tax arrears including offering tax repayment agreements to the owners.

4-02-063-03 SE – Site 23 is a designated manufactured home located in the Creekside manufactured home park. Several attempts have been made to contact the owner of this property to no avail. The City has a security registration on the home.



4-02-063-03 SE – Site 39 is also a designated manufactured home located in the Creekside manufactured home park. Administration has visited the home owner on multiple occasion and all efforts to obtain payment have failed. The City has a security registration on the home.

Lot 9, Block A, Plan 2859EO is a vacant lot in Cold Lake North. The City registered a lien on the property on March 31, 2017. All efforts to obtain payment from the property owner has failed. An advertisement was placed in the February 15 issue of the Alberta gazette and a copy of this advertisement will be sent to the home owner.

Lot 3G, Block 12, Plan 9826556 is a vacant lot located in Cold Lake South. The City registered a lien on this property on March 31, 2017. All efforts to obtain payment from the owner has failed. An advertisement was placed in the February 15 issue of the Alberta gazette and a copy of this advertisement will be sent to the home owner.

If a property sells it will be sold “as is where is” condition. If the property sells at the auction and there is a tenant the new owner would be responsible to evict the tenant. The City would be responsible to pay all encumbrances on the property and must notify the owner if there is any remaining proceeds. The proceeds must be kept for 10 years or until they are paid out to the owner. If the property does not sell the City may continue to try to sell the property at a price reasonably close to market as possible. If the property does not sell after 15 years the City can request the Registrar to issue a new certificate of title in the municipality’s name.

Alternatives:

Council may consider the following options:

1. Council may set the reserve bid as follows:

4-02-063-03 SE – Site 23	Mobile home only	\$4,200
4-02-063-03 SE – Site 39	Mobile home only	\$42,000
Lot 9, Block A, Plan 2859EO	Title 182273472	\$126,000
Lot 3G, Block 12, Plan 9826556	Title 152052966	\$75,000

2. Council may set reserve bid to an amount that is reasonably close to market value.

Recommended Action:

Administration recommends that Council set the reserve bid for the 2019 tax sale properties as follows:

4-02-063-03 SE - Site 23	Mobile home only	\$ 4,200
4-02-063-03 SE - Site 39	Mobile home only	\$ 42,000
Lot 9, Block A, Plan 2859EO	Title 182273472	\$126,000
Lot 3G, Block 12, Plan 9826556	Title 152052966	\$ 75,000

Budget Implications (Yes or No):

No



City of *Cold Lake*

Submitted by:
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