



1. Statement of Policy

Surplus improved real property owned by the Government of the Northwest Territories will be disposed of in a manner which maximizes public benefits.

2. Principles

The Government of the Northwest Territories will adhere to the following principles when implementing this Policy:

- (1) Surplus property will be offered for sale to certain priority interests according to the following order of preference:
 - (a) Priority 1: Northwest Territories public corporations;
 - (b) Priority 2: Community governments;
 - (c) Priority 3: Non-profit organizations; and
 - (d) Priority 4: General public.
- (2) Surplus property will be sold for the highest acceptable bid from within a priority interest group.

3. Scope

This Policy applies to improved real property declared surplus to the needs of the Government of the Northwest Territories and to groups and individuals interested in acquiring improved real property declared surplus to the needs of government.

Exclusion

This Policy does not apply to the following types of property:

- (1) trailers, furnishings, mobile equipment and other materials disposed of in accordance with the Disposal Policy;
- (2) land on which there are no Government of the Northwest Territories structures or other improvements;



- (3) crown land under the effective administration and control of the Government of Canada;
- (4) property disposed of in accordance with the Privatization Policy;
- (5) surplus staff housing being sold in accordance with Government of the Northwest Territories' sale of staff housing programs;
- (6) transfer of property to community governments through community empowerment;
- (7) properties owned by Northwest Territories public corporations, as specified in Schedule 1 of this Policy;
- (8) Government of the Northwest Territories boards and agencies which have authority, pursuant to legislation or regulations, to own improved real property;
- (9) improved real property leased by the Government of the Northwest Territories;
- (10) highways pursuant to the *Public Highways Act* and roads administered by the Department of Transportation; and
- (11) transfer of improved real property pursuant to land claims agreements.

4. Definitions

The following terms apply to this Policy:

Community Government - a municipal corporation or, in the absence of a municipal corporation, a community governing authority recognized by the Minister of Municipal and Community Affairs as the prime public authority responsible for the provision of municipal services.

Disposal - the sale or demolition of surplus Government of the Northwest Territories improved real property.



Government of the Northwest Territories Boards and Agencies - those statutory bodies specified in Schedule 2 of this Policy.

Improved Real Property - physical land and/or the structures or other improvements thereon.

Municipal Corporation - a corporation established under or continued by the *Charter Communities Act*, the *Cities, Towns and Villages Act*, the *Hamlets Act* or the *Settlements Act*.

Municipal Programs and Services - those programs and services which are normally provided by community governments, including the provision of water; collection, treatment and disposal of sewage and garbage; fire protection; road maintenance; recreation; by-law enforcement, land use control and community planning. This may also include land administration, borrowing and the collection of property taxes.

Non-Profit Organizations - those organizations that are registered under the *Societies Act* of the Northwest Territories or under the *Canada Corporations Act* as not-for-profit legal entities.

Priority Interests - parties to which the Government of the Northwest Territories grants, in the order of preference prescribed herein, the opportunity to purchase surplus improved real property.

Public Corporations - those statutory bodies specified in Schedule 1 of this Policy.

Sponsor Department - the Government of the Northwest Territories department that assists non-government agencies/groups through financial and other means.

Surplus Property - improved real property owned by the Government of the Northwest Territories that is not required in support of a Government of the Northwest Territories department's or the Government of the Northwest Territories' programs and services.

Tenant Department - Government of the Northwest Territories department, agency or board that occupies or otherwise uses government-owned improved real property.



Trailers - properties which are not affixed to the land and are routinely (e.g. seasonally) moved, such as wheeled trailers used as temporary offices at highways and ferry maintenance or construction camps.

5. Authority and Accountability

(1) General

This Policy is issued under the authority of the Executive Council. The authority to make exceptions and approve revisions to this Policy rests with the Executive Council. Authority and accountability is further defined as follows:

(a) Minister

The Minister of Infrastructure (the Minister) is accountable to the Executive Council for the implementation of this Policy.

(b) Deputy Minister

The Deputy Minister of Infrastructure (the Deputy Minister) is accountable to the Minister and responsible to the Minister for the administration of this Policy.

(2) Specific

(a) Commissioner of the Northwest Territories

The Commissioner of the Northwest Territories may approve the sale of surplus property to Government of the Northwest Territories employees, their immediate family or agents who are excluded under Section 6(6)(a) of this Policy.

(b) Executive Council

The Executive Council may extend the provisions of this Policy to Government of the Northwest Territories boards and agencies not listed in Schedule 2 of this Policy.



(c) Financial Management Board

The Financial Management Board may:

- (i) approve required funding for surplus properties which are reallocated to a new or another department or transferred to the Northwest Territories Housing Corporation or a Government of the Northwest Territories board or agency which has authority, pursuant to legislation, to own improved real property;
- (ii) approve funding required to retain on inventory government owned surplus properties that would normally be disposed of;
- (iii) approve funding for the disposal of surplus property;
- (iv) approve the sale of surplus property to a priority interest, where the appraised value of the property exceeds the amount offered by more than \$50,000;
- (v) approve the sale of surplus property to a non-tax-based community government and the funding for the community government to operate and maintain the property; and
- (vi) approve funding to return repossessed properties to the Government of the Northwest Territories inventory pending disposal.

(d) Minister of Infrastructure

The Minister of Infrastructure may jointly recommend submissions to the Executive Council and Financial Management Board concerning disposal of surplus property in accordance with this Policy.



(e) Ministers of Tenant Departments

Ministers of tenant departments may:

- (i) declare property surplus to the needs of their departments or agencies and boards for which they are responsible;
- (ii) provide Infrastructure with a Notice of Surplus when it is decided a property is surplus to the tenant department's requirements; and
- (iii) request, jointly with the Minister of Infrastructure, funding from the Financial Management Board to retain on inventory, for continued use, properties which would otherwise be declared surplus according to Section 6(1) of this Policy.

(f) Ministers of Sponsor Departments

Ministers of sponsor departments may:

- (i) recommend to the Minister of Infrastructure the sale of surplus property to a priority interest where the appraised value of the property does not exceed the amount offered by more than \$50,000;
- (ii) recommend, jointly with the Minister of Infrastructure, to the Financial Management Board the sale of surplus property to a priority interest, where the appraised value of the property exceeds the amount offered by more than \$50,000;
- (iii) recommend to the Executive Council extending the provisions of this Policy to Government of the Northwest Territories boards and agencies not listed in Schedule 2 of this Policy; and



(iv) request, jointly with the Minister of Infrastructure, funding from the Financial Management Board to return repossessed properties to the Government of the Northwest Territories inventory.

(g) Minister of Municipal and Community Affairs

The Minister of Municipal and Community Affairs may, jointly with the Minister of Infrastructure, prepare Financial Management Board submissions to obtain approval to:

- (i) sell surplus property to a non-tax-based community government and funding for the community government to operate and maintain the property; and
- (ii) sell surplus property to a community government where the appraised value of the property exceeds the amount offered by more than \$50,000.

(h) Deputy Minister of Infrastructure

The Deputy Minister of Infrastructure:

- (i) will determine if other user requirements can be met by reallocating or transferring property declared surplus to a tenant department in accordance with Section 6(2) of this Policy;
- (ii) may reallocate to a department, board or agency, or transfer title to the Northwest Territories Housing Corporation or a Government of the Northwest Territories board or agency which has authority, pursuant to legislation, to own improved real property, a property declared surplus to a tenant department in accordance with Section 6(2) of this Policy;
- (iii) may determine when a property is beyond economic operation or repair;



- (iv) may declare property surplus to the needs of the Government of the Northwest Territories in accordance with Section 6(1) of this Policy.
- (v) will determine the value of surplus property through a formal appraisal;
- (vi) may approve the disposal of surplus property where Financial Management Board approval is not required; and
- (vii) may authorize the demolition of the surplus property where the surplus property cannot be sold or where it is not in the public interest to offer it for sale.

(i) Secretary of the Financial Management Board

The Secretary of the Financial Management Board will:

- (i) review all standard agreements prepared by Infrastructure which provide for the transfer or sale of surplus property; and
- (ii) provide advice to Infrastructure regarding asset control and other financial administration pertaining to the disposal of surplus property.

(j) Deputy Minister of Municipal and Community Affairs

The Deputy Minister of Municipal and Community Affairs may determine the Government of the Northwest Territories' requirement for land in accordance with Section 6(4) of this Policy.

(k) Deputy Minister of Finance

The Deputy Minister of Finance will provide advice to Infrastructure regarding insurance and risk management pertaining to the disposal of surplus property.



(l) Deputy Minister of Justice

The Deputy Minister of Justice will:

- (i) review the standard forms of agreements, prepared by Infrastructure, which provide for the transfer or sale of surplus property;
- (ii) review bills of sale prepared by Infrastructure to transfer title of surplus improvements sold by the Government of the Northwest Territories;
- (iii) where removal of the improvements by the purchaser is not required, authorize the Department of Municipal and Community Affairs to issue a land lease to the purchaser upon completion of the sale; and
- (iv) administer the conveyance of title to surplus land and improvements sold by the Government of the Northwest Territories.

(m) Deputy Minister of Environment and Natural Resources

The Deputy Minister of Environment and Natural Resources will provide advice to Infrastructure regarding the disposal of hazardous property and materials.

6. Provisions

(1) Surplus Declaration Criteria

Property will be declared surplus to the Government of the Northwest Territories' requirements if it meets both of the following criteria:

- (a) The property is surplus to a tenant department's requirements due to one or more of the following reasons:



(i) Property Replaced/Displaced By New Construction

All property that has been replaced by new construction or requires removal to accommodate new construction becomes surplus unless the Financial Management Board approves funding for retention of the replaced property on the Government of the Northwest Territories inventory.

(ii) Property Beyond Economic Operation or Repair

Property that has deteriorated to a substandard or unsafe condition and is considered beyond economic operation or repair.

(iii) Property Functionally Obsolete

Property that is no longer suitable for its intended function due to changes in program or service requirements.

(iv) Property Vacant for Greater than Two Years

Property which has not been used for the delivery of Government of the Northwest Territories programs or services for at least two years.

(v) Property Repossessed

Property for which title is taken over by the Government of the Northwest Territories for such reasons as loan defaults and termination of privatization initiatives.

- (b) The property declared surplus by a tenant department, according to Section 6(1)(a), is not required by another Government of the Northwest Territories department, board or agency or the Northwest Territories Housing Corporation as determined by the Deputy Minister of Infrastructure in accordance with Section 6(2) of this Policy.



(2) Reallocation or Transfer of Property Surplus to a Tenant Department

- (a) The Deputy Minister of Infrastructure will canvas Government of the Northwest Territories departments, boards, agencies and the Northwest Territories Housing Corporation to determine if other user requirements can be met by reallocating or transferring property declared surplus to a tenant department. In the case of office space, the Deputy Minister of Infrastructure will determine requirements through routine office space planning.
- (b) Where such a requirement can be met and, upon the request of the Minister responsible, the Deputy Minister of Infrastructure may, subject to any required funding approvals by the Financial Management Board:
 - (i) reallocate a surplus property to a department, board or agency; or
 - (ii) transfer title of a surplus property to the Northwest Territories Housing Corporation or a Government of the Northwest Territories board or agency which has authority, pursuant to legislation, to own improved real property.

(3) Disposal of Surplus Property Through Sale

Property which has been declared surplus to the requirements of the Government of the Northwest Territories will be offered for sale to priority interests in the following order of preference:

- (a) Priority Interest No. 1: Northwest Territories Public Corporations
 - (i) Northwest Territories public corporations will be invited to submit offers to purchase the property. The property will be sold to the highest bidder.



- (ii) If the appraised value of the property exceeds the highest bid by more than \$50,000, the Minister responsible for the public corporation and the Minister of Infrastructure may jointly recommend to the Financial Management Board that the Government of the Northwest Territories accept the amount offered.

(b) Priority Interest No. 2: Community Government

If a Northwest Territories public corporation does not purchase the property, the local community government will be invited by Infrastructure to submit an offer to purchase the property.

(i) Tax-Based Community Government

The Deputy Minister of Infrastructure may sell a surplus property to a tax-based community government when the appraised value of the property does not exceed the amount offered by more than \$50,000.

If the appraised value of the property exceeds the amount offered by more than \$50,000, the Ministers of Municipal and Community Affairs and Infrastructure may jointly recommend to the Financial Management Board that the Government of the Northwest Territories accept the amount offered.

(ii) Non-Tax-Based Community Government

The Deputy Minister of Infrastructure may, upon the recommendation of the Minister of Municipal and Community Affairs, sell a surplus property to a non-tax-based community government when the appraised value of the property does not exceed the amount offered by more than \$50,000.



If the appraised value of the property exceeds the amount offered by more than \$50,000, the Ministers of Municipal and Community Affairs and Infrastructure may jointly recommend to the Financial Management Board that the Government of the Northwest Territories accept the amount offered.

The Minister of Municipal and Community Affairs may request funding from the Financial Management Board to enable a community government to operate and maintain, relocate or renovate a surplus property purchased from the Government of the Northwest Territories.

(c) Priority Interest No. 3: Non-Profit Organizations

If the local community government does not purchase the property, all non-profit organizations in the community will be invited by Infrastructure to submit purchase proposals.

Infrastructure will review proposals and, where appropriate, will submit the proposal containing the highest acceptable bid to the applicable sponsor department for its evaluation and recommendations.

The Deputy Minister of Infrastructure, upon the recommendation of the Minister of a sponsor department, may sell a surplus property to a non-profit organization when the appraised value of the property does not exceed the amount offered by more than \$50,000.

If the appraised value of the property exceeds the amount offered by more than \$50,000, the Ministers of the applicable sponsor department and Public Works and Services may jointly recommend to the Financial Management Board that the Government of the Northwest Territories accept the amount offered.



(d) Priority Interest No. 4: General Public

If the property cannot be sold to a non-profit organization, Public Works and Services will offer it for sale to the public. Sale of the property will be through sealed tender to the highest acceptable bidder.

If the appraised value of the property exceeds the highest acceptable bid by more than \$50,000, the Minister of Public Works and Services may recommend to the Financial Management Board that the Government of the Northwest Territories accept the amount offered.

(4) Surplus Property Sale Offerings

Offerings of surplus property for sale will be one of the following three types:

(a) Sale of Land and Improvements

Where the Deputy Ministers of Municipal and Community Affairs and Infrastructure determine that the Government of the Northwest Territories has no further requirement for the land and improvements, they may be sold together.

(b) Sale and Removal of Improvements

Where the Deputy Ministers of Municipal and Community Affairs and Infrastructure determine that the property site is required by the Government of the Northwest Territories, the purchaser will be responsible for the removal of the improvement and restoration of the site within a specified time.



(c) Sale of Improvements "As Is, Where Is"

Where the Deputy Ministers of Municipal and Community Affairs and Infrastructure determine that the Government of the Northwest Territories has no requirement for the land and improvements, but the land is only available for lease, the purchaser is responsible for arranging a land lease.

(5) Appraisal

All property to be transferred or sold will be appraised to establish a base value. Infrastructure is responsible for administering appraisals using an appropriate method of real estate valuation. Where land and improvements are surplus, the land component will be appraised in accordance with the Government of the Northwest Territories' Policy on Land Valuation.

(6) Eligibility Restrictions

(a) Excluded Bidders

Government of the Northwest Territories employees who are directly involved in the procedures set out in this Policy for the disposal of surplus property and their immediate family or agents shall be excluded from bidding on or acquiring surplus property offered for sale.

(b) Commissioner's Consent

Sales of surplus property to Government of the Northwest Territories employees, their immediate family or agents, who are not described in Section 6(6)(a) above, are subject to the approval of Commissioner of the Northwest Territories.

(7) Re-Offering

If identical high bids are received on the same offering, the tie bidders will be requested to submit a new offer.



If an offering does not produce acceptable bids or if no bids are received, the property may be re-offered to seek an acceptable offer, if Infrastructure judges such action to be worthwhile.

(8) Demolition of Unmarketable Property

Where a property surplus to the Government of the Northwest Territories' needs cannot be sold or where it is not in the public interest to offer it for sale, the Deputy Minister of Infrastructure may authorize the demolition of the property. If demolition entails the containment or removal of hazardous property and material and site restoration, the Deputy Minister of Environment and Natural Resources will be consulted.

(9) Disposal of Property Repossessed by the Government of the Northwest Territories

The Minister of the department taking possession may declare repossessed property surplus in which case disposal will be coordinated between the responsible department(s) and Infrastructure and in accordance with the requirements of the *Financial Administration Act*.

(10) Time of Essence

The disposal of surplus property shall be carried out in a timely manner to minimize costs to the Government of the Northwest Territories.

(11) Financial

- (a) The cost of disposing of surplus property may include appraisal fees, advertising, site inspections, surveying, demolition, material removal, site restoration and general administrative costs.
- (b) The cost of disposing of property scheduled for replacement by new construction will be included in the replacement project budget.



- (c) The cost of disposing of property not connected with replacement construction will normally be included in Public Works and Services' operations and maintenance budget.

7. Financial Resources

Financial resources required under this Policy are conditional on approval of funds in the Main Estimates by the Legislative Assembly and there being a sufficient unencumbered balance in the appropriate activity for the fiscal year for which the funds would be required.

8. Prerogative of the Executive Council

Nothing in this Policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions or take action respecting the disposal of improved real property outside the provisions of this Policy.



Premier and Chairman of the
Executive Council



Northwest
Territories

Policy

31.02 Disposal of Improved Real Property

SCHEDULES

Northwest Territories Public Corporations	Schedule 1
Government of the Northwest Territories Boards and Agencies	Schedule 2



SCHEDULE 1

NORTHWEST TERRITORIES PUBLIC CORPORATIONS

Properties owned by the following Northwest Territories public corporations are excluded from the Government of the Northwest Territories Policy on Disposal of Improved Real Property:

1. The Northwest Territories Housing Corporation established by the *Northwest Territories Housing Corporation Act*.
2. The Northwest Territories Power Corporation established by the *Northwest Territories Power Corporation Act*.
3. The Northwest Territories Development Corporation established by the *Northwest Territories Development Corporation Act*.
4. The Northwest Territories Workers' Compensation Board continued by the *Workers' Compensation Act*.
5. The Northwest Territories Business Credit Corporation established under the *Northwest Territories Business Credit Corporation Act*.



SCHEDULE 2

GOVERNMENT OF THE NORTHWEST TERRITORIES BOARDS AND AGENCIES

1. Application

The Disposal of Improved Real Property Policy applies to the following boards and agencies.

- (1) All District Education Authorities and Divisional Education Councils established under the *Education Act*.
- (2) All Boards of Management established under the *Territorial Hospital Insurance Services Act*.
- (3) The Labour Standards Board established by the *Labour Standards Act*.
- (4) The Liquor Licensing Board established by the *Liquor Act*.
- (5) The Liquor Commission established under the *Liquor Act*.
- (6) Public Colleges established under the *Public Colleges Act*.
- (7) The Status of Women Council of the Northwest Territories established by the *Status of Women Council Act*.
- (8) The Legal Services Board of the Northwest Territories established by the *Legal Services Act*.

2. Exclusion

Notwithstanding Section 1, Schedule 2, the Disposal of Improved Real Property Policy does not apply to Government of the Northwest Territories boards and agencies which have authority, pursuant to legislation, to own improved real property.