



1. Statement of Policy

The Government of the Northwest Territories shall ensure 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.

2. Principles

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

- (1) 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.
- (2) A municipal corporation has, in the disposal of land to the public, a responsibility to reflect the needs and priorities of the community and to apply fair and consistent practices.
- (3) Government policies on the disposal of publicly owned lands should be compatible between all levels of government in the Northwest Territories.
- (4) Municipal lands should be recognized as a valuable resource requiring land management practices which encourage growth and ensure optimum use of land through community planning.
- (5) Land development should be considered an essential public service to be provided through the municipal corporation, wherever possible.
- (6) Land speculation in vacant municipal lands should be discouraged.
- (7) Based on standards prescribed by municipal corporations, new lots should be developed as efficiently and economically as possible.
- (8) Lot prices for newly developed lots should be limited to the recovery of related development costs.



- (9) Existing developed lots should be made available to the public at reasonable prices, no greater than the market value of the land.
- (10) Private land development should be encouraged only when the private developer can develop land such that the lot price is the same as, or less than, the municipal corporation would charge if developing the land.

3. Scope

The Policy applies to the disposal of municipal lands.

4. Definitions

The following terms apply to this Policy:

Available Land - land not required for federal or territorial government purposes.

Crown Land - Commissioner's land as defined in the *Northwest Territories Act* (Canada) and the *Commissioner's Land Act*, or Territorial Lands, as defined in the *Territorial Lands Act* (Canada) and which are administered by the Government of the Northwest Territories.

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 Government of the Northwest Territories. 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 (and poles);
- (j) legal surveys;
- (k) telephone services;
- (l) land acquisition and/or disposal costs; and
- (m) financing and interest charges incurred in developing the land.

Disposal of Land - the sale, lease, or other disposition of land.

Industrial Users - users whose primary business is resource exploration or development, manufacturing, processing, fabrication, and marine or air transportation.

Land Administration Agreement - a contract between a municipal corporation and the Government of the Northwest Territories outlining the process, terms and conditions of the transfer of land from the Government of the Northwest Territories 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 sale, lease or other disposition.

Lot Price - the sale price of the lot.

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 corporation established under or continued by the *Charter Communities Act*, the *Cities, Towns and Villages Act*, or the *Hamlets Act*. For the purposes of this Policy, “municipal corporation” does not include corporations established under the *Settlements Act*.

Municipal Lands - lands owned, leased or otherwise held by a municipal corporation.

Municipality - the geographic area of jurisdiction of a municipal corporation.

New Lots - vacant lots for which development costs are incurred after the implementation date of this Policy.

Off Site Levies - a surcharge levied by a municipal corporation to the purchaser or lessee of municipal lands to assist in the payment of all or part of the capital costs of new or expanded infrastructure, including land, such infrastructure being located outside the municipal lands being purchased or leased, but of a direct, though not exclusive, benefit to the purchaser or lessee.

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

Site-Specific Factors - factors which may be used, where applicable, by a municipal corporation in adding or subtracting up to 25 percent of the development costs of new lots or the replacement cost for existing developed lots, and which may be composed of:

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



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 Municipal and Community Affairs (the Minister) is accountable to the Executive Council for the implementation of this Policy.

(b) Deputy Minister

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

(2) Specific

(a) Minister

The Minister may:

- (i) accept an application from a municipal corporation to enter into a Land Administration Agreement;
- (ii) negotiate, enter into and renew Land Administration Agreements in accordance with this Policy; and
- (iii) approve a municipal corporation's application to price below development costs lots developed through financing from the Government of the Northwest Territories or a financial institution;



(b) Deputy Minister

The Deputy Minister (or designate):

- (i) will implement Land Administration Agreements entered into by the Minister;
- (ii) will monitor the compliance of municipal corporations with the provisions of their Land Administration Agreements;
- (iii) will arrange for the listing and conveyance of all available surveyed Crown lands to the municipal corporation in accordance with this Policy; and
- (iv) will supply municipal corporations with maps, plans and land information as appropriate.

6. 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 Crown 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 those hamlets and charter communities that have limited experience in land administration and management, the conditions of a Land Administration Agreement may also:
 - (i) specify the parcels of land that are subject to the agreement;
 - (ii) require additional reporting and monitoring requirements from the municipal corporation to the Deputy Minister to assist in the evaluation of the agreement; and
 - (iii) place a shorter time limit on 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 approved by the Minister, consistent with Section 6(2) of this Policy.
- (e) In implementing a Land Administration Agreement:
 - (i) For Crown 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 Crown lands to the municipal corporation, subject to the Land Pricing Policy, and subject to the settlement of outstanding aboriginal land claims.
 - (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 lands administration by-law in accordance with the *Charter Communities Act*, the *Cities, Towns and Villages Act*, or the *Hamlets Act*, provided that:

(a) Land Application Approval Process

- (i) The land administration procedures of a municipal corporation shall be adequate for situations where more than one person has applied for the same land.
- (i) A municipal corporation shall not dispose of land to the public until adequate public notice is provided and methods are in place that provide all interested parties with a fair and equal opportunity to acquire the land.
- (iii) Notwithstanding Section 6(2)(b), new lots shall not be disposed of by auction.

(b) Advertising of Lands for Disposal

- (i) A municipal corporation shall not dispose of any land until the availability of the land has been advertised in two consecutive issues of a newspaper which has local circulation or, if there is no such newspaper, in notices posted in three prominent places within the municipality over a period of at least two weeks.
- (ii) A municipal corporation having lands for sale 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.



- (ii) The only exceptions to the foregoing requirements for advertising are in regard to:
- lands which will be retained or bought back 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 ensure that prospective private homeowners have preference during the first sale or lease of residential lands over buyers who wish to acquire or develop more than one lot at a time.
- An exception is where lots are required for government, the Northwest Territories 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 and all leases and agreements for sale, and transfers of land, must be under such terms and conditions as will bind the lessee or purchaser to complete his 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
- (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 Government of the Northwest Territories.
- (iii) A municipal corporation shall price municipal lands for sale, lease, or other disposition to the public as follows:
 - 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 of the sale prices for all new lots in a subdivision shall be equal to the total development cost for the entire subdivision.
 - Existing developed municipal lots shall be priced at either replacement cost or market value, or at a lower price as determined by the municipal council when unique and exceptional circumstances apply.
 - In calculating replacement cost, the municipal council may consider site-specific factors, where applicable.
 - For those lots which are not intended to be available for sale (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 Section 6(2)(d)(i), a municipal corporation may price lots below development cost in cases where a municipal corporation is unable to sell or lease lots at development cost. However, if the lots have been developed through financing from the Government of the Northwest Territories or a financial institution, the municipal corporation must first secure the approval of the Minister, in writing, to price any such lots below development cost.



- (e) Off Site Levies
- (i) A municipal corporation may levy a surcharge to a purchaser or lessee of municipal lands (an off site levy) to help pay for all or part of the capital cost of all or any of the following:
- new or expanded facilities for the storage, transmission, treatment or supply of water;
 - new or expanded facilities for the treatment, movement or disposal of sewage;
 - new or expanded storm sewer drainage facilities;
 - new or expanded roadways and sidewalks; and
 - land required for, or in connection with, any of the facilities described in Section 6(2)(e).
- (ii) A municipal corporation shall not include, as part of the calculation of an off site levy, any capital costs paid for by capital grants or contributions received from the Government of the Northwest Territories.
- (iii) The facilities to be constructed, utilizing the off site levies, shall be directly, though not exclusively, for the benefit of those persons occupying the subdivision in question.
- (iv) Off site levies shall be clearly identifiable and substantiated by the municipal corporation. The public shall be made aware that the off site levies are a separate surcharge above the lot price, which is collected by the municipal corporation together with the lot price.
- (v) All off site levy revenues shall be placed in a separate fund account, to be used for the purposes set out in Section 6(2)(e)(i).



- (f) Land Development Reserve Fund
 - (i) All revenues obtained from the sale, 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 made from the Land Development Reserve Fund shall be used for the sole purpose of acquiring and/or developing land by the municipal corporation.
- (g) Private Sector Development of Municipal Land

Whenever a municipal corporation intends to transfer land to a private developer for the development of lots for eventual resale or lease to the public, it shall do so according to the following provisions:

- (i) The municipal corporation may permit the private sector to develop land within the municipality, provided the private sector can develop land so that the lot price is the same as, or less than, the municipal corporation would charge if developing the land.
- (ii) The municipal corporation shall prepare a cost estimate for the project so as to establish lot prices as if the municipal corporation were to develop the land.
- (iii) If, as a result of the cost estimate prepared pursuant to Section 6(2)(g)(ii) it appears possible that the private sector can develop the land in a cost-effective manner pursuant to 6(2)(g)(i), the municipal corporation may call for proposals from the private sector to acquire and/or develop land.



- (iii) The municipal corporation shall develop criteria for evaluating proposals submitted for private land development.

- (v) The disposal of vacant municipal lands to a private developer will be done by way of an Agreement for Sale or a Lease with an Option to Purchase which:
 - requires the developer to establish a land disposal procedure that is consistent with municipal land disposal procedures;

 - requires that the developer dispose of the lots to the public at a price that is 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 sale agreement or lease. Such amendments shall be only for price increases consistent with any price increases allowable under municipal land pricing procedures; and

 - specifies the standards to which the land must be developed.

The municipal corporation shall only transfer title to municipal lands to a private developer with appropriate caveats or restrictive covenants in place to ensure the developer's land disposal procedure and lot prices continue to comply with the sale agreement or lease.

- (h) Quarry and Land Use Management
 - (i) The municipal corporation shall establish procedures for management of lands through land use permits, quarry permits, quarry leases and any other permits deemed necessary by the municipal 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.

7. 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 municipal lands outside the provisions of this Policy.

A handwritten signature in blue ink, consisting of a large 'O' followed by several loops and a long horizontal stroke.

Premier and Chairman of the
Executive Council