



LONDON PUBLIC LIBRARY POLICY

Title: Sale or Other Disposition of Real Property Policy
Policy Type: Means
Policy No.: F-AM-04

Effective Date: March 28, 2019

Review Date: March 2023

PURPOSE:

The purpose of this policy is to ensure that:

- Sale or other disposition of Real Property by London Public Library (“LPL”/“the Library”) is done in a prudent manner and that returns are fair, reasonable and in the best interests of the Library and
- Transparent and accountable processes are followed in the sale and other disposition of Real Property.

POLICY STATEMENT:

The Library purchases and leases Real Property for purposes consistent with the delivery of relevant, accessible and high quality public library services. From time to time, such property may become surplus to the operations, programs and services of the Library. In such cases, the Library reserves the right to sell or dispose of the Real Property.

LPL shall dispose of surplus Real Property in an open and transparent manner while ensuring that returns are fair, reasonable and in the best interests of the Library.

SCOPE:

This policy applies to the Library Board, CEO & Chief Librarian (CEO) and any and all London Public Library Employees or consultants engaged by the Library to assist in the marketing and sale of the Real Property.

This policy only addresses the obligations to dispose of surplus Real Property by sale, transfer or conveyance. Other disposals, such as leases, are addressed in the Library policy: *Lease of London Public Library Property by Non-London Public Library Entities*.

This policy does not apply to the sale or disposal of Library furniture and equipment.

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DEFINITIONS:

Appraisal is a formal, written, impartial estimate or opinion on value of the Real Property, as of a specific date, prepared by a Real Estate Professional and supported by the presentation and analysis of relevant data.

Due Diligence includes any activities required prior to and/or during the disposal of Real Property that will effectively assist in the decision-making process.

Estimate means an opinion, judgment or calculation of the market value of the Real Property, in writing, as of a specified date that evaluates the Real Property right, interests or benefits involved and provides sufficient information and analysis to support the conclusion.

Fair Market Value means the highest price, expressed in dollars, that a property would bring in an open and unrestricted market, between a willing buyer/lessee and a willing seller/lessor who are knowledgeable, informed and prudent, and who are acting independently of one another. (*Canada Revenue Agency, "Fair Market Value" Summary Policy CSP-F02*)

Highest and Best Use means that use which at the time of the appraisal is most likely to produce the greatest net return over a given period of time.

Real Estate Professional means an individual or firm qualified to provide appraisal and/or real estate consulting services and licensed to do so in the Province of Ontario.

Real Property means lands, buildings, anything that is erected on or affixed to the surface of the land, minerals and anything subsurface owned by the Library and all rights issued out of, annexed to and exercisable such as leases, licences, mortgages, air rights, easements and rights of access.



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Sale includes the sale, disposition, transfer or conveyance of Real Property. For the purposes of this policy; “A transfer of possession under an agreement to transfer ownership must be distinguished from a transfer of possession under an agreement to transfer property by way of lease, license or similar arrangement. The former constitutes a sale while the latter does not.” (*CRA: “The Meaning of Sale with Respect to Real Property” (P-111R)*)

Surplus Property for the purposes of this policy means Real Property owned by the Library which is no longer required for the purposes of the Library.

POLICY REQUIREMENTS

General

Prior to offering any Real Property for sale, it shall first be determined to be viable or not viable to meet LPL needs and requirements. Consideration for the interests of communities and key stakeholders shall also be given in the assessment of viability.

Real Property is to be disposed of at market value. Notwithstanding, the Library may authorize the disposal of Real Property at less than market value if, in its opinion, it is in the best interests of the Library to do so.

Real Property is normally sold in an “as is” state or condition.

The Library will use its best efforts to dispose of Real Property in a manner that protects its heritage character.

Joint Ventures, partnerships and contractual obligations shall be considered in conjunction with this policy.

Sale or other disposition of Real Property by the Library will be in accordance with all federal, provincial and municipal laws and regulations.

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Declaration of Surplus Property

Real Property shall be declared surplus in the following manner:

- The CEO or Director, Financial Services, shall report to the Library Board recommending that the Real Property be declared surplus to the needs of the Library and
- The Library Board shall pass a motion in a meeting open to the public to declare the Real Property to be surplus Real Property and in the same motion may authorize the sale of the Real Property.

Appraisal

The CEO and Director, Financial Services shall obtain at least one (1) independent third-party Appraisal of the Fair Market Value of the Real Property based on the Real Property's Highest and Best Use.

Notwithstanding the foregoing, the following are exempt from the requirement to obtain an Appraisal prior to disposal of the subject Property:

- Disposal/transfer in accordance with the Expropriations Act;
- Disposal/transfer to the City of London under the Municipal Act;
- Disposal/transfer to another local board or commission; and
- Disposal/transfer to an authority under the Conservation Authorities Act.

Due Diligence

Due Diligence will be undertaken, including legal, environmental, heritage and technical review.



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Notice of Proposed Sale/Disposal

Public notice shall be given.

As well, the Library will provide notice to the City of London Realty Services which may, in turn, advise other City boards, commissions and agencies.

Methods of Disposal

The CEO, along with the Director, Financial Services, shall be responsible for determining an appropriate method of disposal. The CEO and Director shall advise the Library Board which shall receive this information by motion. Library Board approval for the method of disposal is required when the Property is not placed on the open market.

All expropriated land shall be disposed of in accordance with the *Expropriations Act*, R.S.O., 1990, Ch. E. 26 (the "*Expropriations Act*").

Authority to Sell or Dispose of Real Property

Accountability for the application of this Board policy is vested in the office of the CEO & Chief Librarian.

Terms and conditions of sale or disposal of Real Property may be negotiated by the CEO and Director, Financial Services, along with a licensed Real Estate Professional in consultation with legal counsel. Where Library Board approval is required, the transaction will be considered in a closed Executive Session of the Board.

Two signatory authorities for the Library will jointly execute sale or transfer agreements and related conveyancing documentation on behalf of the Library.



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Proceeds from the Sale

Proceeds from the disposal of surplus Real Property will be allocated as per Board approval, with the CEO and Director, Financial Services providing recommendations based upon current and future financial needs.

INQUIRIES:

CEO & Chief Librarian
Director, Financial Services

KEYWORDS:

RELATED DOCUMENTS:

Income Tax Act of Canada
Canada Revenue Agency, Summary Policy CSP-F02, Fair Market Value
Public Sector Accounting Board Handbook, Section 1201.055
Lease of London Public Library Property by Non-London Public Library Entities Policy
London Public Library Monetary Charges Policy
London Public Library Procurement Policy
City of London *Sale and Other Disposition of Land Policy* as set out in Schedule "A" of
By-law No. 6151-17

DOCUMENT CONTROL:

Approved: March 28, 2019 (L19/17.3)