

M.D. of Opportunity No 17

TITLE: LEASING OF LAND
EFFECTIVE DATE: MARCH 30, 2011
POLICY NUMBER: LAND POLICY (L.6)

Policy Statement:

This Policy sets out guidelines, rates and conditions with respect to the leasing of land for commercial, industrial, recreational, institutional and agricultural or for other general public purposes.

A. LEASING OF LAND

1. Land which the municipality owns and is not planning to develop or use in the short or long term may be leased for commercial, industrial, recreational, institutional, agricultural, or public purposes subject to the following conditions:
 - a) Every application shall be accompanied by a non-refundable application fee of \$150.00;
 - b) The lease shall be for a fixed term not to exceed 5 years as approved by Council; lease extension requests may be reviewed and approved by Council;
 - c) Oil and gas sites and leases within the Municipal District hamlet boundaries of Red Earth Creek, Wabasca, Calling Lake and Sandy Lake are not permitted in order to minimize the loss of use and adverse effect on MD titled and serviced land that results from well set-back requirements and unknown environmental impacts of concentrating wells and facilities in these populated communities.
 - d) The proposed use of the leased property must conform to the Land Use Bylaw and Area Structure Plan.

B. BASIC LEASE RATES

2. Leasing rates for commercial, industrial, recreational, institutional and agricultural leases shall be 12% of appraised market value per annum or as negotiated (whichever is greater).
3. Leasing rates for public use, community use or non-profit organizations shall be a minimum of 1% of appraised market value per annum or as negotiated and determined by Council.
4. Grazing lease rates for livestock (horses or cattle) shall be \$30.00 per acre to a maximum annual rate of \$450.00 with the conditions below:
 - a) The land shall be used only for grazing purposes;
 - b) No building construction or tree removal shall be permitted unless limited approval has been authorized by the development authority with the exception of a fence and an animal shelter.
 - c) Grazing livestock shall be permitted on areas of land in compliance with the Land Use Bylaw;

- d) Grazing areas must be fenced in and kept in the rear of the property to prevent direct visibility and for safety purposes;
 - e) Any costs associated with the grazing of livestock shall be the responsibility of the owner/developer.
 - f) The owner/developer shall be responsible for any other problems associated with the grazing of livestock;
 - g) The grazing of livestock shall not be permitted on areas or parcels of land containing an airstrip area throughout the municipality.
5. Haying permits for seasonal hay removal may be issued administratively on a first come first serve basis annually; this opportunity shall be advertised in March of each year.

C. CONDITIONS OF LEASES

- 6. Where the lease exceeds a term of one year, the interest of the lessee will be subject to assessment and taxation in accordance with the Municipal Government Act.
- 7. Where applicable the lessee is responsible for paying all utility charges levied against the leased property during the period of the lease.
- 8. Lease fees shall be paid annually in advance. Taxes and utility charges shall be paid within three months of their being levied.
- 9. Applications for lease must be made separately on a form approved by the municipality.
- 10. A lease may be assigned with the approval of the Council. An assignment shall not be approved until all annual fees and taxes with respect to the land are paid in full.

D. CANCELLATION OF LEASES

- 11. The municipality may cancel a lease if the lessee requests such cancellation.
- 12. The leased land is not being used for the purpose for which it was leased.
- 13. The lease was issued in error.
- 14. The lease or the land described is not held by the lessee for his sole use and benefit.
- 15. The lessee has failed to pay lease fees, taxes, rates or outgoings lawfully levied against his interest under the lease, or any other money payable under the lease when it is due.
- 16. The lessee has failed to comply with the terms and conditions of the lease.
- 17. The land is required for development by the MD at which time the lessor will give 30 day notice to the lessee.

E. RECLAMATION OF LEASED LAND

18. The lessee, prior to termination of the lease, shall restore the leased land to a clean and orderly state to the satisfaction of the municipality.
19. Where the lessee fails to clean up the leased land, the lessee shall be responsible for all costs incurred by the municipality in restoring said leased land to a satisfactory state.
20. If the lessee chooses not to remove buildings and other improvements prior to termination of the lease, all such buildings and improvements become the property of the municipality and the municipality at its sole discretion may dispose of the buildings and improvements in whatever manner it sees fit. The municipality reserves the right to determine whether or not compensation should be paid and the amount of compensation to be paid.
21. Where the municipality determines that it has an immediate need for land it has leased, it may withdraw all or any part of the land from the lease. The lessee will be given adequate notice and reasonable time to remove any buildings or improvements. Compensation for such removal shall be negotiated between the lessee and the municipality.

* * *

APPROVED: March 30, 2011 – Motion # 0158-2011-17MDC

