

ADMINISTRATIVE REPORT

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| TO: Shane Bourke, City Manager | DATE: November 12, 2024 |
| FROM: Danielle Whiteway, Chief Financial Officer | MEETING: Financial & Administrative Services Committee |
| REPORT WRITER: Scott Smith, Director of Assessment and Taxation | |
| SUBJECT: 2023 Tax Recovery Sale | |

RECOMMENDATIONS

That the Financial and Administrative Committee recommend Council approve the following:

1. Those properties, subject to 2023 tax recovery notification, as per the attached list, be offered for sale by public auction.
2. That the auction be held in the 1st floor North Conference Room at City Hall on Friday, March 14, 2025, at 9:00 a.m.
3. That the reserve bids for the 2023 tax recovery sale be set as per the attached Appendix D.

PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

Each year, Council is requested to set the date, time, and reserve bids for the tax recovery sale. Once these are set, an ad will be placed in the Alberta Gazette on January 31, 2025. A copy of this ad will be sent to the property owners and anyone who has an interest in the properties.

BACKGROUND

In March 2023, the Tax Department filed 138 tax recovery notifications on properties that had more than one year of taxes outstanding. There are presently 20 remaining properties on the tax roll subject to tax recovery notifications filed in 2023. Two additional properties have been added to the tax recovery sale from the 2019 and 2020 tax recovery process. These properties had payment arrangements made and property owners have defaulted on the payment arrangements. Due to the default in payments, these properties must be added to the 2023 tax recovery sale.

Past years tax notification:

| <u>Year</u> | <u>Number of properties on Tax Sale Report</u> |
|----------------|--|
| 2019 | 85 |
| 2020 | 46 (+36 from 2019) |
| 2021 | 66 (+1 from 2019 and 3 from 2020) |
| 2022 | 32 (+40 from 2019 to 2021) |
| 2023 (current) | 20 (+1 from 2019 and +1 from 2020) |

The number of properties that are available on the day of the tax sale has been minimal in the past, due to owners and mortgage companies bringing the accounts up to date after the notification.

Under the provisions of the Municipal Government Act (MGA), these properties must be offered for sale by public auction not sooner than April 1, 2024, and not later than March 31, 2025.

Each parcel of land to be offered for sale has a reserve bid that is as close as possible to the market value.

If any property that is offered for sale by auction is not sold at that auction, the City may acquire title to the properties and may subsequently sell the property by private sale.

ANALYSIS

Relationship to City Council's Areas of Focus / Strategic Priorities

Innovative Efficiencies and Economic Readiness

Environmental Impact

There is no environmental impact.

Economic Impact

Holding the tax sale later in the process will provide more time to either collect the balance outstanding or to enter into a payment plan with the property owner.

Social Impact

Working with the property owners and mortgage companies benefits both them and the City by enabling property owners to retain ownership.

Relevant Statutes / Master Plans / City Documents

Municipal Government Act Division 8 (Appendix A)

Risk

Inability to come up with an acceptable arrangement for both the property owner and the City to get the outstanding taxes paid and ensure property owners to retain ownership.

STAKEHOLDER ENGAGEMENT

There will be an ad placed in the Alberta Gazette on January 31, 2025. A letter with a copy of the Gazette ad will be sent to the property owners and anyone with any interest registered to the property. There will be an ad on the City's website March 3, 2025.

BUDGET / FINANCIAL IMPLICATIONS

The 22 tax recovery properties represent \$761,598 in receivables.

SUMMARY / CONCLUSION

The Tax Sale is a legislative process that must be followed, and the dates and information presented follows the legislation set forth in the MGA.

ATTACHMENTS

Appendix A – MGA Sections 417 - 421
Appendix B - Schedule of the 2023 Tax Recovery Sale Proceedings
Appendix C - List of Properties Subject to the 2023 Tax Recovery
Appendix D - List of Reserve Bids

Appendix A

Warning of sale

417(1) Not later than the August 1 following receipt of a copy of the tax arrears list, the Registrar must, in respect of each parcel of land shown on the tax arrears list, send a notice to

- (a) the owner of the parcel of land,
 - (b) any person who has an interest in the parcel that is evidenced by a caveat registered by the Registrar, and
 - (c) each encumbrancee shown on the certificate of title for the parcel.
- (2) The notice must state
- (a) that if the tax arrears in respect of the parcel of land are not paid before March 31 in the next year, the municipality will offer the parcel for sale at a public auction, and
 - (b) that the municipality may become the owner of the parcel after the public auction if the parcel is not sold at the public auction.
- (3) The notice must be sent to the address shown on the records of the Land Titles Office for each person referred to in subsection (1).

1994 cM-26.1 s417;1995 c24 s61

Offer of parcel for sale

418(1) Each municipality must offer for sale at a public auction any parcel of land shown on its tax arrears list if the tax arrears are not paid.

(2) Unless subsection (4) applies, the public auction must be held in the period beginning on the date referred to in section 417(2)(a) and ending on March 31 of the year immediately following that date.

(3) Subsection (1) does not apply to a parcel in respect of which the municipality has started an action under section 411(2) to recover the tax arrears before the date of the public auction.

(4) The municipality may enter into an agreement with the owner of a parcel of land shown on its tax arrears list providing for the payment of the tax arrears over a period not exceeding 3 years, and in that event the parcel need not be offered for sale under subsection (1) until

- (a) the agreement has expired, or
- (b) the owner of the parcel breaches the agreement,
- (c) whichever occurs first.

1994 cM-26.1 s418;1995 c24 s62;1996 c30 s35

Reserve bid and conditions of sale

419 The council must set

- (a) for each parcel of land 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 parcel, and
- (b) any conditions that apply to the sale.

Right to possession

420(1) From the date on which a parcel of land is offered for sale at a public auction, the municipality is entitled to possession of the parcel.

(2) For the purposes of obtaining possession of a parcel of land, a designated officer may enter the parcel and take possession of it for and in the name of the municipality and, if in so doing resistance is encountered, the municipality may apply to the Court of Queen's Bench for an order for the possession of the parcel.

RSA 2000 cM-26 s420;2009 c53 s119

Advertisement of public auction

421(1) The municipality must advertise the public auction

- (a) in one issue of The Alberta Gazette, not less than 40 days and not more than 90 days before the date on which the public auction is to be held, and
- (b) in one issue of a newspaper having general circulation in the municipality, not less than 10 days and not more than 20 days before the date on which the public auction is to be held.

(2) The advertisement must specify the date, time and location of the public auction, the conditions of sale and a description of each parcel of land to be offered for sale.

(3) The advertisement must state that the municipality may, after the public auction, become the owner of any parcel of land not sold at the public auction.

(4) Not less than 4 weeks before the date of the public auction, the municipality must send a copy of the advertisement referred to in subsection (1)(a) to

- (a) the owner of each parcel of land to be offered for sale,
- (b) each person who has an interest in any parcel to be offered for sale that is evidenced by a caveat registered by the Registrar, and
- (c) each encumbrancee shown on the certificate of title for each parcel to be offered for sale.

1994 cM-26.1 s421;1995 c24 s63

APPENDIX B

SCHEDULE FOR TAX SALE

| | |
|---|-------------------|
| Consideration by Financial and Administrative Committee | November 12, 2024 |
| Approval by Council | November 18, 2024 |
| Ad mailed to Alberta Gazette by: | January 17, 2025 |
| Ad appears in Alberta Gazette (1): | January 31, 2025 |
| Mail copy of Alberta Gazette to owners by (2): | February 3, 2025 |
| Ad given to City Web designer: | February 21, 2025 |
| Ad appears on City Website (3): | March 3, 2025 |
| Date of Sale: | March 14, 2025 |

- (1) Not less than 40 or more than 90 days before date of sale.
- (2) Not less than four weeks before date of sale.
- (3) Not less than 10 or more than 20 days before date of sale.

APPENDIX C

2023 TAX RECOVERY SALE

LIST OF PROPERTIES TO BE SOLD

| Roll Number | Legal Description | | | Address of Property |
|-------------|-------------------|-------|-----|------------------------|
| | Plan | Block | Lot | |
| 452700 | 5044HW | 6 | 11 | 9403 103 Avenue |
| 453030 | 5073HW | 4 | 12 | 10127 109 Avenue |
| 470000 | 1766KS | 14 | 1 | 9324 105 Avenue |
| 470180 | 1766KS | 14 | 19 | 9313 106 Avenue |
| 481521 | 6057KS | 12 | 8 | 10014 102 Street |
| 501050 | 5895MC | 11 | 24 | 11106 95 Street |
| 511430 | 5989NY | | 8 | 9602 108 Street |
| 603140 | 3478TR | 6 | 25 | 9715 Prairie Road |
| 613860 | 7721128 | 23 | 35 | 7321 99 Street |
| 628000 | 7922548 | 43 | 4 | 6625 Poplar Drive |
| 631400 | 7923089 | 6 | 3 | 9405 123 Avenue |
| 638130 | 8021563 | 52 | 28 | 9610 64 Avenue |
| 642010 | 8022055 | 1 | 46 | 8909 102 Avenue |
| 643810 | 8022085 | 6 | | 9513 111 Street |
| 706920 | 9020678 | 8 | | 3105 7201 Poplar Drive |
| 757420 | 9924483 | 2 | 254 | 12038 Cygnet Blvd |
| 765540 | 0024264 | 2 | 22 | 284 Pinnacle Drive |
| 784520 | 0323781 | 63 | 15 | 9718 66 Avenue |
| 797770 | 0425657 | 3 | 34 | 10032 101 Avenue |
| 883230 | 1325404 | 3 | 5A | 10102 130 Avenue |
| 896300 | 1621254 | 4 | 7 | 12110 97 Avenue |
| 914120 | 2021249 | 3 | 16 | 9098 80 Avenue |
| | | | | |
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APPENDIX D

2023 TAX RECOVERY SALE RESERVE BIDS

| <u>Category</u> | <u>Roll Number</u> | <u>Reserve Bid</u> | <u>Description</u> |
|-----------------|--------------------|--------------------|---|
| LDRES | 452700 | \$125,300 | 700 sq ft, bungalow no basement, built in 1928, no garage, located in Hillside |
| LDRES | 453030 | \$199,200 | 1,359 sq ft bungalow, built 1960, no garage, located in Avondale |
| LDRES | 470000 | \$163,900 | 1,041sq ft bungalow no basement, built 1955. detached 441sq ft garage, located in Hillside |
| LDRES | 470180 | \$130,600 | 771sq ft bungalow no basement, built 1945, no garage, located in Hillside |
| NORES | 481521 | \$2,221,300 | 20,890 sq ft retail building built in 1962 located Downtown |
| LDRES | 501050 | \$214,900 | 1,090 sq ft bungalow, built 1964, no garage, located in Mountview |
| NORES | 511430 | \$1,215,700 | 10,528 sq ft warehouse built in 1972 located in Richmond Industrial Park |
| LDRES | 603140 | \$208,700 | 854 sq ft split entry, built in 1974, no garage, located in Patterson Place. |
| LDRES | 613860 | \$201,300 | 864 sq ft split entry, built in 1978, no garage located in South Patterson Place. |
| LDRES | 628000 | \$263,000 | 1,316 sq ft bungalow, built 1981, no garage, located in Country Club Estates |
| LDRES | 631400 | \$294,600 | 1,448 sq ft bungalow, built 1980, attached 528 sq ft garage, located in Crystal Ridge. |
| LDRES | 638130 | \$280,600 | 1,109 sq ft split level, year built 1989, no garage, located in Country Club Estates |
| LDRES | 642010 | \$395,900 | 2,041 sq ft two storey, year built 1987, attached 463 sq ft garage, located in Ivy Lake |
| NORES | 643810 | \$210,300 | 2,069 sq ft, industrial condo built in 1979, located in Richmond Industrial Park |
| LDRES | 706920 | \$99,900 | 978 sq ft apartment condo, built in 1981, located in South Patterson Place |
| LDRES | 757420 | \$673,000 | 3,206 sq ft two storey, year Built 2002, attached 876 sq ft garage, located in Crystal Lake Estates |
| LDRES | 765540 | \$330,000 | 1,541 sq ft two storey, year built 2002, detached 529 sq ft garage, located in Pinnacle Ridge |
| LDRES | 784520 | \$379,900 | 1,268 sq ft split entry, year built 2003 attached 529 sq ft garage, located Country Club West |

| | | | |
|-------|--------|-----------|--|
| NORES | 797770 | \$708,000 | 12,404 sq ft retail building, built in 1946 located Downtown |
| LDRES | 914120 | \$97,700 | 4,975 sq ft vacant residential lot located in Riverstone |
| NORES | 883230 | \$676,400 | 1.59 Acre, CT zoned, vacant commercial lot, located in Northridge |
| NORES | 896300 | \$803,000 | 2.12 Acre, IB zoned, vacant industrial lot, located in Vision West |
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