

Procedure for determining the compensation for Real Property Acquisitions in the North Service Road Widening Project

The purpose of this procedure is to outline principles to be used in determining compensation for the acquisition of real property rights in the corridor acquisition of lands for the North Service Road widening project.

This procedure has been developed to be consistent with the authorities and requirements the Town has under the *Municipal Act* and *Expropriations Act*.

The methods of acquisitions which the Town typically utilizes to acquire land for corridor acquisitions and road projects include:

- Transfers/dedications of land required through the development approval process
- Negotiation (Amicable acquisitions)
- Expropriation

The acquisition of land through the development approval process and negotiation are preferred methods of obtaining property. However, where property requirements are needed on a timely basis and negotiation is unsuccessful, or when specific title issues and encumbrances exist, expropriation may be advisable.

When negotiation (amicable acquisitions) is used, compensation is provided based upon principles and entitlements outlined in the *Expropriations Act*.

Under the *Expropriations Act*, an affected party is entitled to compensation based on:

- (a) the market value of the land;
- (b) the damages attributable to disturbance;
- (c) damages for injurious affection; and
- (d) any special difficulties in relocation.

The purpose of this procedure is to ensure that consistent, comprehensive, transparent and accountable processes are followed by the Town in determining these compensation amounts for the North Service Road and Eighth Line widening project.

1) Determining the Market Value of the Land and Injurious Affection

- Staff will obtain an appraisal from a qualified appraiser to estimate the market value of the land together with any injurious affection, where applicable.
- If the owner accepts the Town's appraisal, compensation for the market value of the land and injurious affection will be based on the Town's appraisal.
- In the event the owner disagrees with the Town's appraisal, the owner or its legal representative may provide Town staff with its own market value information which ordinarily will include an appraisal prepared under relevant terms of reference from a qualified land appraiser (AACI or CRA) in support of their estimate of the compensation. The Manager of Realty Services will review the owner's appraisal and recommend the appropriate compensation based on the two appraisals and, where warranted, seek further advice from the Town's appraiser. The final compensation amount will require the approval

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of the CAO in consultation with the Realty Services Committee, subject to the monetary thresholds set out below.

2) Determining the Disturbance and Relocation Damages

- The Town will hire a qualified negotiator with government/expropriation related expertise to negotiate with the affected owners on behalf of the Town.
- The negotiator and/or the Town's appraiser will provide recommendations on the appropriate level of justified compensation for other compensable items including disturbance and relocation damages.
- If recommended by the Town negotiator or the Manager of Realty Services, or in the event the disturbance damages are considered unique to a specific area of expertise, Town staff or owners' representatives will be asked to provide quotes of costs or opinions from other qualified consultants. For example, where warranted, staff will obtain an opinion from a qualified business evaluator to determine the appropriate level of business losses.
- The Manager of Realty Services will review the recommendations provided by the Town's negotiator, appraiser and other consultants and provide a recommendation to the Realty Services Committee. The final compensation amount will require the approval of the CAO in consultation with the Realty Services Committee, subject to the monetary thresholds set out below.

3) Obtaining Final Approval for an Amicable Acquisition

- If the compensation amount (excluding legal and consulting costs) for an amicable acquisition is greater than \$600,000 or if deemed advisable by the CAO, a report will be brought to Council for consideration of the final amount.
- If the compensation amount (excluding legal and consulting costs) is less than \$600,000, the Manager of Realty Services shall provide a memo to the CAO and the Realty Services Committee summarizing the rationale for compensation.
- The memo will contain reference to consultation with the applicable Department funding the proposed acquisition including approval of the proposed acquisition and confirmation of the Council approved budget in support of the acquisition.
- The CAO will either approve the compensation amount, send it back to staff for further review and negotiation with the owner, or require a report be sent to Council for its approval.
- Once the final compensation amount has been approved by the CAO, an agreement and all the documentation required to complete the acquisition shall be prepared to the satisfaction of the Town Solicitor and executed by the CAO and Town Clerk.
- The owner's legal and consulting costs will be reimbursed as required under the *Expropriations Act* provided these costs are reasonable and approved by the CAO or the Town Solicitor.

4) Obtaining Final Approval for a Partial or Full Expropriation Settlement

- When Council approves an expropriation, the Town is obligated under Section 25 of the *Expropriations Act* to offer the registered owner the full market value of the expropriated

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- lands as determined by the Town's appraiser (the "**Section 25 Offer**"). If the registered owner declines this offer, staff will work with the owner to come to a settlement.
- Staff may enter into partial expropriation settlements to deal with immediate concerns such as relocation of structures in the expropriated lands, or settle on some areas of compensation while waiting for other areas like business losses to become more clear.
 - If the total compensation amount of a full settlement or the cumulative amount of partial settlements (excluding legal, interest and consulting costs and the Section 25 Offer) for a specific property is greater than \$500,000 or if deemed advisable by the CAO, a report will be brought to Council for consideration of the final amount.
 - If the total compensation amount of a full settlement or the cumulative amount of partial settlements (excluding legal, interest and consulting costs and the Section 25 Offer) for a specific property is less than \$500,000, the Manager of Realty Services shall provide a memo to the CAO and the Realty Services Committee summarizing the rationale for compensation.
 - The memo will contain reference to consultation with the applicable Department funding the proposed acquisition including approval of the proposed settlement and confirmation of the Council approved budget in support of the settlement.
 - The CAO will either approve the compensation amount, send it back to staff for further review and negotiation with the owner, or require a report be sent to Council for its approval.
 - Once the final compensation amount has been approved by the CAO, an agreement and all the documentation required to complete the settlement shall be prepared to the satisfaction of the Town Solicitor and executed by the CAO and Town Clerk.
 - The owner's legal and consulting costs will be reimbursed as required under the *Expropriations Act* provided these costs are reasonable and approved by the CAO or the Town Solicitor.