



RPT 21-60

TITLE: Donation of Land - 848 18th Street West

DATE: February 5, 2021

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATION:

That the request for donating the property at 848 18th Street West to The City of Prince Albert in exchange for a \$21,250.00 donation receipt be denied.

TOPIC & PURPOSE:

Correspondence dated June 12, 2020 was received from the property owner of 848 18th Street West requesting a transfer of ownership to The City of Prince Albert (The City) in exchange for a donation receipt for the transfer of the property for \$21,250.00.

BACKGROUND:

The attached correspondence dated June 12, 2020 was received June 16, 2020 in Financial Services and Planning & Development Services.

Prior to June 12, 2020, Grant and Lorna Dennis had spoken to Planning & Development regarding an offer to donate the land in exchange for a donation receipt but was declined after further investigation of the property. This property was a rental property that burned down, then a demo permit issued and subsequently demolished in 2018.

PROPOSED APPROACH AND RATIONALE:

June 17, 2020 the Financial Services Department talked to Grant Dennis. The house had been demolished, debris removed and the property is now vacant land.
Details of the property and further information:

1. The 848 18th Street West property would be considered as land that is held for sale as a \$1 lot. Several lots in the same area are for sale for \$1. The City is finding it difficult to sell \$1 lots and there is currently no benefit for the City to take on this property. This property is not very attractive.
2. As with all City owned property, annual property maintenance is required from the Community Services Department. There is slightly less than a ¼ of an acre of property to be maintained. Items that could negatively impact the cost to services provided by the city and should be considered in this decision would be the following:
 1. Utilities on the property not being properly disconnected and removed at time of demolition;
 2. Land not being properly leveled, topsoil added and the property seeded for ease of maintenance moving forward;
 3. Ensuring that the site does not pose a risk to the property owners on either side due to poor reclamation of the site, i.e. drainage/flooding concerns.
 4. Overgrowth of trees, shrubs and other planting materials still located at the property that require maintenance or removal; and,
 5. Fencing on the property – cost of removal, replacement or repair needs to be considered.
 6. There could be other additional costs to consider that are unseen at this time due to the snow pack

The property could be maintained by City Park crews once the above considerations are addressed for a minimum cost of \$200 every two weeks.

If serious consideration is given to receiving this property, unknown issues could result in significant costs due to the property being in a fire and subsequently demolished.

3. An inspection of the property would be recommended once weather conditions allow, to ensure there are no other considerations that have been overlooked at the time of this report so as not to adversely impact the cost to the City.
4. In order for a donation receipt to be issued from The City an appraisal from a qualified appraiser would be required in order to assign a value. The donation receipt could be deemed nil if the application of the relevant rules are not applied. This is according to:
 - Income Tax Act
 - Policy No. 7, Tax Deductible Donation Policy and Procedure
 - Canada Revenue Agency (CRA). See publication P113 Gifts and Income Tax
 - CCH Canadian Accounting Handbook paragraph 1280.Appraisal costs will range from \$400-\$600.

5. The City solicitor would need to be involved with the process of the transfer of ownership. This would be an additional cost to The City.

August 21, 2020 Grant Dennis came to City Hall wanting The City to issue a donation receipt in exchange for his property. Planning and Development was contacted and at this time there was no indication The City was assuming his property. It was mentioned to him that he may be more successful to try to sell the property himself.

September 2020, Grant Dennis came to City Hall wanting The City to issue a donation receipt in exchange for his property. Grant Dennis was referred to Planning and Development where it was discussed that an appraisal would be required in order to grant a donation receipt. Currently this property would be considered a \$1 lot.

CONSULTATIONS:

There was discussion with the Director of Planning and Development Services, Director of Financial Services and Community Services Parks Manager. The discussion involved donation receipting, land purposing and property maintenance and care.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

The property owner of 848 18th Street West will be notified of the decision of Council.

POLICY IMPLICATIONS:

The following policy and legislation applies to donations:

- Policy No. 7, Tax Deductible Donation Policy and Procedure
- Income Tax Act
- Canada Revenue Agency (CRA). Publication P113 Gifts and Income Tax

FINANCIAL IMPLICATIONS:

There are no financial implications if the land is not accepted and no donation receipt is issued.

In order to acquire the land and issue a donation receipt the following are the financial implications and considerations:

- An appraised value of the property would be required. The approximate cost for the services of an appraiser is estimated to be in the range of \$400 to \$600.
- The City Solicitor services will be required. Legal charges are unknown at this time.
- The condition of the property after the demolition is unknown. As mentioned in point 2 above, Community Services staff time and materials may be required to ensure the property is ready for build and is not a liability. This could be minimal cost but could be up to \$30,000 depending on the severity of the work required.

- Annual maintenance of the property by City Park crews would be a minimum cost of \$200 every two weeks.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no privacy implications, options to the recommendation and official community plan.

STRATEGIC PLAN:

Fiscal management and accountability: Align priorities and initiatives to the corporate strategies and deliver municipal services in cost-effective ways.

Infrastructure: Create infrastructure that supports growth while planning for continuous improvement.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

ATTACHMENTS:

1. Correspondence - Donation of Land to City - 848 18th Street West

Written by: Cheryl Tkachuk, Director of Financial Services

Approved by: Director of Planning and Development Services & City Manager