



**Title: Hamlet Lot Sales Policy**

**Policy: CP 022**

**Section: Corporate**

### ACCOUNTABILITY TO VISION STATEMENT

Flagstaff County recognizes the importance of sustainable residential development within hamlets. Through the responsible sale and development of municipally owned residential lots, the County contributes to community growth, neighborhood stability, and the long-term well-being of residents.

### POLICY STATEMENT

This policy has been developed to provide Council and Administration with a consistent process for the sale and development of municipally owned residential lots within hamlets. The policy recognizes two distinct types of purchases: residential development purchases, where the purchaser intends to construct a primary residence on the lot; and adjacent landowner purchases for consolidation, where the purchaser intends to consolidate the lot with an adjacent parcel and no new primary residence is contemplated.

### DEFINITIONS

1. **Development Compliance Deposit:** A conditional refundable security deposit of \$15,000 that secures completion of required development milestones, compliance with the applicable agreement, and continued compliance with applicable municipal regulations and property maintenance requirements.
2. **Municipally Owned Residential Lot:** Any residential parcel, within a Hamlet, owned by Flagstaff County and offered for sale for the purpose of residential development.
3. **Purchase Date:** The Closing Date as defined in the Sale and Construction Agreement.
4. **Purchase Price:** Market value as determined by the Flagstaff County Assessor
5. **Sale and Construction Agreement:** A legally binding agreement between Flagstaff County and the purchaser outlining the obligations, timelines, and conditions associated with the development of a municipally owned residential lot.

### ELIGIBILITY CRITERIA

To be considered for the purchase of a municipally owned residential lot, applicants must identify whether the application is for residential development or for adjacent landowner consolidation. Applicants must:

- submit a completed Residential Lot Purchase Application;
- be able to meet applicable timeline and security deposit requirements, where required;
- provide additional information or documentation, if requested by the County, demonstrating that the proposed development is reasonably achievable within the required timelines;
- not have unresolved enforcement orders, outstanding taxes, or outstanding debts owed to Flagstaff County;
- acknowledge all applicable development obligations, timelines, conditions, and agreement requirements established by the County.

### SALE, APPROVAL, AND CLOSING PROCESS

Administration is authorized to approve and administer the sale process for municipally owned lots in Hamlets in accordance with this policy. Administration may establish application requirements, advertising methods, sale conditions, review processes, and standard agreement requirements appropriate to the lot being offered for sale.

Where multiple applications are received for the same lot, Administration may consider the eligibility criteria, timing of development, compatibility with surrounding land uses, intended use of the lot, and any other relevant municipal considerations when determining the sale process and recommending or approving a sale, as authorized by this policy, applicable County procedures, or Council direction.

All approved sales shall be completed in accordance with the applicable Sale and Construction Agreement, including terms respecting purchase price, deposit, security deposit, Goods and Services Tax, closing costs, adjustments, possession, failure to close, and transfer of title.

## **DEVELOPMENT REQUIREMENTS**

Purchasers acquiring a lot for residential development shall enter into a Sale and Construction Agreement with Flagstaff County prior to transfer of ownership. The agreement shall govern the purchaser's development obligations, timelines, security deposit requirements, default provisions, remedies, and other conditions established by the County.

Where an adjacent landowner purchases a lot solely for consolidation with an adjacent parcel and no primary residence is contemplated, the lot shall be consolidated with the adjacent parcel in accordance with County requirements. In these circumstances, the County may use an amended form of agreement or other documentation suitable to the transaction and may waive construction timelines and the Development Compliance Deposit, provided the consolidation is completed to the satisfaction of the County.

Flagstaff County may require applicants to provide evidence, as determined by Administration, that the proposed development is financially and practically achievable within the applicable timelines.

The County may refuse to proceed with a sale agreement where Administration determines the proposed development is not reasonably achievable within the applicable timelines.

Purchasers are responsible for conducting their own due diligence regarding the condition, servicing, suitability, access, approvals, and development feasibility of the lot. Unless otherwise expressly agreed by the County, lots are sold on an "as is, where is" basis.

Purchasers are responsible for confirming and obtaining all required servicing, utility connections, access, permits, approvals, grading, drainage, and any required upgrades unless otherwise provided in the applicable Sale and Construction Agreement.

The applicable Sale and Construction Agreement includes

- construction timelines and milestones;
- security deposit requirements;
- servicing, grading, and drainage requirements;
- property maintenance obligations in accordance with applicable municipal bylaws and regulations, including property maintenance, safety, and unsightly premises requirements;
- default, enforcement, repurchase, and other remedy provisions;
- registration of caveats or other title restrictions.

## **REQUIREMENT TIMELINE**

Unless otherwise approved by the County or specified in the applicable Sale and Construction Agreement, purchasers acquiring a lot for residential development shall meet the following timelines:

1. Development Permit Application - Within 6 months of the Date of Purchase
2. Building Permit Issued - Within 9 months of the Date of Purchase
3. Foundation Completion - Within 12 months of the Date of Purchase
4. Residence Substantially Complete - Within 24 months of the Date of Purchase. For this policy, "substantially complete" shall be interpreted consistently with the completion or substantial performance requirements set out in the applicable agreement.

Failure to meet the requirements of the applicable agreement may constitute default and may result in forfeiture of deposits, repurchase of the lot by the County, restrictions on sale or transfer, or other remedies available under the agreement. The agreement shall govern notice, remedy periods, default procedures, repurchase terms, deductions, treatment of improvements, and responsibility for related costs.

### SECURITY DEPOSIT

A refundable Development Compliance Deposit of \$15,000 shall be paid at the time and in the manner required by the applicable Sale and Construction Agreement.

The deposit secures completion of required development milestones, compliance with the applicable Sale and Construction Agreement, and continued compliance with applicable municipal regulations and property maintenance requirements after occupancy.

The deposit may be retained in whole or in part where:

- development timelines are not met;
- the property becomes subject to enforcement action;
- required permits are not obtained;
- the site is maintained contrary to applicable municipal bylaws and regulations, including property maintenance, safety, and unsightly premises requirements;
- grading and/or drainage are not completed.

Subject to confirmation by Administration that all applicable requirements have been satisfied, the Development Compliance Deposit shall be refunded as follows:

- 75% of the deposit shall be refunded upon issuance of occupancy approval;
- the remaining 25% shall be refunded no earlier than one (1) year following occupancy approval, provided the property remains in compliance with all municipal requirements and no enforcement action has occurred. If enforcement action has been taken, then the one (1) year timeframe will be extended for a further one (1) year term.

The Development Compliance Deposit may be waived where an adjacent property owner purchases a lot solely for consolidation with an adjacent parcel and no primary residence is contemplated, provided the consolidation is completed to the satisfaction of Administration. Consequences of purchaser withdrawal prior to transfer of title, including return or forfeiture of any deposit and recovery of County costs, shall be addressed in the applicable agreement. Outstanding taxes, penalties, enforcement costs, legal costs, registration costs, or other amounts owing to Flagstaff County may be deducted from the Development Compliance Deposit prior to refund.

### EXTENSIONS

Requests for extensions must be submitted in writing and may be considered where substantial performance toward development has been demonstrated. (Extensions are not guaranteed and may be subject to additional conditions.)

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| Every three (3) years                       | 2029                                                                                                   |