

Purchasing Surplus Land Parcels

Frequently Asked Questions

The Ministry of Highways and Infrastructure (MHI) purchases land for the construction of the provincial highway network. When land is no longer required for the provincial highway network, it is in the interest of MHI and the Province of Saskatchewan to dispose of the surplus land. Legislation requires, that lands or properties acquired for public improvements be sold, leased, transferred to other government entities or otherwise disposed of by open or closed tender. Compensation is required when the Crown has previously purchased the land.

Definitions:

For the purposes of this FAQ, the following is a list of key terms:

- **Surplus land:** Land that is not required to meet the current or future program or operational requirements of MHI.
- **Market Value:** the highest price a willing buyer would pay and a willing seller would accept, both parties being fully informed, while being marketed for a reasonable period of time.
- **Across the fence value:** is a market value based on comparison to adjacent lands.
- **Conforming Parcel:** the land is considered a standalone parcel when it meets the local government zoning and discretionary use bylaws (i.e. minimum site size allowed under discretionary use, adjacent zoning considerations, etc.) and has legal access.
- **Open Public Tender:** is a public advertised process whereby the public can submit a bid on land that is being disposed of by MHI.
- **Closed Tender:** A closed public tender is where invited bids are received by more than one interested owner.
- **Appraisal:** a written estimate of current Market Value prepared by qualified staff or an independent qualified appraiser.
- **Land Consolidation:** If you own two or more adjoining parcels, you may join them together to make one larger parcel.
- **Subdivision Review:** A review by the Ministry of Government Relations of a proposal to divide a large parcel of land into smaller lots, or a proposal to consolidate one parcel with an adjacent parcel to make one larger parcel or a proposed change in use of the land parcel.

1. How does MHI determine what land is surplus?

- Several criteria must be met to determine if land is surplus
 - i. Canvassing of other MHI groups to determine if land is required for future use.
 - ii. Determine if land parcel is surplus to government, by canvassing other ministries and crown corporations.
 - iii. Determine the appropriate disposal method, namely closed tender or open tender.

2. How long will it take MHI to make a decision and respond to purchase inquiry?

- The length of time will vary on a case-by-case basis. When an inquiry is made to MHI, it is responsible for canvassing government ministries, crown corporations and stakeholders. This process allows government entities an opportunity to make known any interest or concerns they may have towards the proposed sale so that an informed decision can be made.
- Based on the above, it may take six to eight months before a decision is made on your inquiry.

3. Can surplus land parcels be developed?

- Development requires permits from MHI within 90m of highway and must conform with municipal bylaws. The purchaser is responsible for determining development potential, by contacting and obtaining community planning approval through a subdivision review.

4. What happens if I'm unable to obtain the proper planning and development approvals?

- In unique circumstances or situations, MHI may refund tendered money where the buyer is unable to resolve the various issues for access and subdivision. A review of the file will determine whether a refund is justified.

5. How do I know if there is any environmental contamination?

- The sale of land that may have contamination from past use will be subject to a historical land use review (Desktop Environmental). If contamination is suspected a Phase 1 Environmental Site Assessment will be performed. This information will be provided prior to the sales transaction. Any further action is subject to *The Environmental Management and Protection Act, 2010*.

6. Who is responsible for surveying the surplus land parcel?

- For open tender sales, MHI will pay for surveying of surplus parcels before land is offered for sale. For closed tender sales, the purchaser is responsible to pay for all survey costs.

7. Who pays fees associated with the sale?

- The purchaser is responsible to pay all fees associated with the sale. These include, road closure consent, notice of minister, legal fees, ISC fees etc.

8. When can I take possession?

- Purchasers can take possession after land title has transferred to the new owner.

9. My land was acquired for a project and not used. Am I able to purchase it back?

- MHI will utilize the Right of First Refusal Policy (ROFR). This policy allows MHI to offer back to the previous owner all or part of the land at market value.

10. How does MHI determine the market value of surplus parcels?

- MHI uses highest and best use and "across the fence" valuation methods to set a minimum price based on the estimated market value.
- If the anticipated land value is over \$250,000, an independent land appraiser will be used to assist in determining market value.