



CITY OF YELLOWKNIFE

GOVERNANCE AND PRIORITIES COMMITTEE AGENDA

Monday, February 6, 2023 at 12:05 p.m.

Chair: Mayor R. Alty,
Councillor S. Arden-Smith
Councillor G. Cochrane,
Councillor R. Fequet,
Councillor B. Hendriksen,
Councillor C. McGurk,
Councillor T. McLennan,
Councillor S. Payne, and
Councillor R. Warburton.

| <u>Item</u> | <u>Description</u> |
|-------------------------|--|
| 1. | Opening Statement: The City of Yellowknife acknowledges that we are located in Chief Drygeese territory. From time immemorial, it has been the traditional land of the Yellowknives Dene First Nation. We respect the histories, languages, and cultures of all other Indigenous Peoples including the North Slave Métis, and all First Nations, Métis, and Inuit whose presence continues to enrich our vibrant community. |
| 2. | Approval of the agenda. |
| 3. | Disclosure of pecuniary interest and the general nature thereof. |
| ANNEX A | |
| 4. | A memorandum regarding whether to dispose of Lot 1086, Quad 85 J/8, Plan 2547 (181 Kam Lake Road) to Aurora Tracking Station Inc. (the Lessee). |
| ANNEX B | |
| 5. | A memorandum regarding whether to select properties to auction for tax arrears, when to hold the auction, and what minimum price to establish for each property. |
| <u>IN CAMERA</u> | |
| 6. | A personnel matter. |
| 7. | Business arising from In Camera Session. |



CITY OF YELLOWKNIFE

MEMORANDUM TO COMMITTEE

COMMITTEE: Governance and Priorities

DATE: February 6, 2023

DEPARTMENT: Planning and Development

ISSUE: Whether to dispose of Lot 1086, Quad 85 J/8, Plan 2547 (181 Kam Lake Road) to Aurora Tracking Station Inc. (the Lessee).

RECOMMENDATION:

That By-law No. XXXX, a by-law to dispose of Lot 1086, Quad 85 J/8, Plan 2547, be presented for adoption.

BACKGROUND:

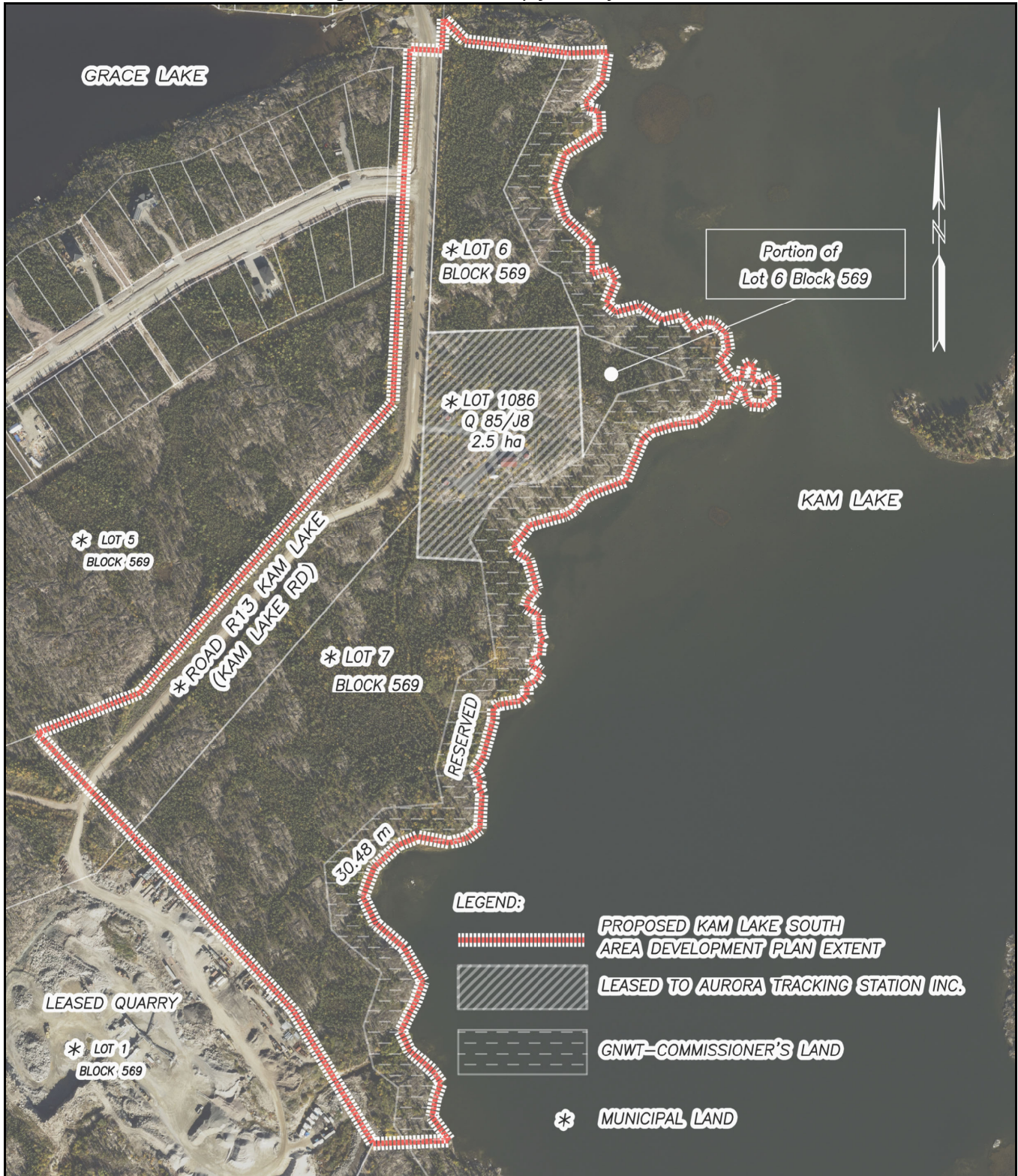
On October 24, 1994, Council approved By-law No. 3792 to sublease Lot 1086, Quad 85 J/8 (the subject land) to Telesat Canada Inc. after the City acquired a headlease for the subject land (*Figure 1*) from the Government of Northwest Territories for the purposes of a satellite tracking and control station. In 2008, ownership of the land was transferred to the City.

The lease agreement permits the lease of the land, to be transferrable and assignable. The lease has been reassigned three times: to Iridium Constellation LLC in 2001, to Iridium Canada GS Ltd. in 2015, and recently, to Aurora Tracking Station Inc. in 2022.

In July 2018, Iridium Canada GS Ltd. (“Iridium”) contacted the City and was notified of their intent to surrender the lease before its expiry. To terminate the lease, the tenant is required by the lease agreement to restore the site to its original condition by removing all structures, buildings, and improvements and disposing of waste materials. All structures, buildings and improvements are owned by the lessee not the City. Instead of surrendering the lease, Iridium assigned the lease to a company willing to take over and continue the lease. The lease is effective until July 31, 2024.

On November 16, 2022, the City received a land acquisition application from Aurora Tracking Station Inc. to purchase the subject land.

Figure 1: Context Map for Subject Land



COUNCIL POLICY / RESOLUTION OR GOAL:

- Council Goal No. 1 Growing and diversifying our economy
- Council Goal No. 3 Ensuring a high quality of life for all, including future generations

APPLICABLE LEGISLATION, BY-LAWS, STUDIES, PLANS:

1. *Cities, Towns and Villages Act S.N.W.T. 2003, c.22;*
2. *Community Planning and Development Act S.N.W.T. 2011,c.22;*
3. Community Plan By-law No. 5007;
4. Zoning By-law No. 5045; and
5. Land Administration By-law No. 4596, as amended.

CONSIDERATIONS:

Legislative

Pursuant to Section 54 (2) of the *Cities, Towns and Villages Act*, the disposal of land must be authorized by a by-law specific to the subject lands.

Community Plan

The Community Plan designates Kam Lake South as an area that is intended to be the home for the dog sledding community, tourism development opportunities, commercial recreation, agriculture, and light industrial development while recognizing existing quarries (policy 4.9). In addition, the policy direction supports the subdivision of land along the western shore of Kam Lake to create additional lots in Kam Lake South, subject to the completion of an Area Development Plan.

Area Development Plan

The purpose of an Area Development Plan is to provide a detailed land use planning framework for smaller geographical areas to properly manage location specific needs. The specific policies must conform to the Community Plan while providing policies and technical requirements regarding lot division, land uses, densities, services, road networks, trail connections, open space, buffers, and environmental protection.

Zoning By-law No. 5045

Kam Lake South is currently zoned (KLS-1 Zone) which conforms to the policies of the Community Plan. If the future use of the subject land is intended to change, a development permit application for a Change of Use will be required and may only be considered where an Area Development Plan is in place.

Land Administration By-law No. 4596, as amended

The Land Administration By-law states that the disposition of land shall be authorized by by-law. It also directs the sale of city-owned lands, establishing the price of lands and the methods and terms for land disposition by the City. Based on the application submitted, the land disposal method will be a direct sale to the Lessee, and the appraised value will determine the sale price. This method is consistent with the lease agreements approved by Council in the past where the Lessee shall have the first option to purchase the land should the City offer it for sale.

Lease Agreement

The lease agreement identifies that if the City offers the land subject to the lease for sale the subtenants (lessee) shall have the first option to purchase the land. This clause is in effect for the term

of the lease. If the City does not offer the land subject to the lease for sale prior to the expiry of the lease, then when the lease expires the City is not obligated to sell to the subtenants.

Financial Considerations

Kam Lake South development, following the approval of an Area Development Plan, is anticipated to create multiple lots available for uses requested by the public at the time of the Community Plan. Sale proceeds from the requested land, will be deposited into the Land Development Fund, which supports future land development by the City. The proposed continued use of the lands will utilize the existing road (Kam Lake Road) and utility line infrastructure (electricity and communication) reducing municipal expenditures on new infrastructure. No municipal service extension (water, sewer and stormwater) is planned.

ALTERNATIVES TO RECOMMENDATION:

That By-law No. XXXX, a by-law to dispose of a leasehold interest in Lot 1086, Quad 85 J/8, Plan 2547, for a period of 10 years with option to extend, be presented for adoption. Council has the option to not sell the land and continue to lease the land. This would require a separate by-law to authorize the lease.

RATIONALE:

The Community Plan identifies the area as one of the priority areas for creating additional lots. The area has existing utility services (electricity and communication), road, and direct access to outdoor and water recreation, which is essential to accommodate tourism operations, dog sledding, and related activities. The lessee intends to continue to use the property for a satellite tracking and control station, as outlined in the current lease. A development permit will be required to change the use of the land and would only be permitted if an Area Development Plan is in place.

ATTACHMENTS:

By-law No. XXXX (DM#720725).

Prepared: January 3, 2023; VF
Revised: January 17, 2023; TS



CITY OF YELLOWKNIFE

BY-LAW NO. XXXX

BS XXX

A BY-LAW of the Council of the Municipal Corporation of the City of Yellowknife authorizing the Municipal Corporation of the City of Yellowknife, to dispose of fee simple title in land for the Municipal Corporation of the City of Yellowknife, in the Northwest Territories.

PURSUANT to Section 54 of the *Cities, Towns and Villages Act*, S.N.W.T., 2003, c. 22;

WHEREAS the said parcels of land are not required for municipal purposes by the Municipal Corporation of the City of Yellowknife;

NOW, THEREFORE, THE COUNCIL OF THE MUNICIPAL CORPORATION OF THE CITY OF YELLOWKNIFE, in regular sessions duly assembled, enacts as follows:

APPLICATION

1. That the Municipal Corporation of the City of Yellowknife is hereby authorized to dispose of freehold interest in the following land:

Lot 1086, Quad 85 J/8, Plan 2547

2. That the Mayor and City Manager of the Municipal Corporation of the City of Yellowknife, or lawful deputy of either of them, are hereby authorized in the name and on the behalf of the Municipal Corporation of the City of Yellowknife, to execute all such forms of application, deeds, indentures, and other documents as may be necessary to give effect to this by-law and to affix thereto the corporate seal of the Municipal Corporation of the City of Yellowknife as the act and deed thereof, subscribing their names in attestation of such execution.

EFFECT

3. That this by-law shall come into effect upon receiving Third Reading and otherwise meets the requirements of Section 75 of the *Cities, Towns and Villages Act*.

Read a First time this _____ day of _____, A.D. 2023.

Mayor

City Manager

Read a Second Time this _____ day of _____, A.D. 2023.

Mayor

City Manager

The unanimous consent of all members voting in attendance having been obtained.

Read a Third Time and Finally Passed this _____ day of _____, A.D., 2023.

Mayor

City Manager

I hereby certify that this by-law has been made in accordance with the requirements of the *Cities, Towns and Villages Act* and the by-laws of the Municipal Corporation of the City of Yellowknife.

City Manager



CITY OF YELLOWKNIFE

MEMORANDUM TO COMMITTEE

COMMITTEE: Governance and Priorities

DATE: February 6, 2023

DEPARTMENT Corporate Services

ISSUE: Whether to select properties to auction for tax arrears, when to hold the auction, and what minimum price to establish for each property.

RECOMMENDATION:

That, in accordance with the *Property Assessment and Taxation Act*, Council direct Administration to auction the properties listed in Appendix A at City Hall at 9:00 a.m. (MST) on Friday, June 9, 2023, and to set the minimum price for each property at 50% of the assessed value listed for that property.

BACKGROUND:

The *Property Assessment and Taxation Act (PATA)* states that properties on the Tax Arrears List may be offered for sale at a public auction, and that the auction date and minimum sale prices must be set by Council.

Council Motions #0091-00, #0039-02, and #0161-02 established the City’s Tax Auction policy, which further stipulates that the City will sell property at public auction when taxes are two years in arrears and if auctioning maximizes the amount of taxes the City is able to collect, and that the City will bid the minimum price on property offered at a tax auction if the property remains unsold after a previous auction.

When property taxes are in arrears, the assessed owners of these properties are notified of the balance of taxes owing on the Interim Tax Notices sent each January, the Final Tax Notices sent each June, and Statements of Account sent throughout the year.

Based on the *PATA* provisions and City policy, properties with tax arrears for the 2021 taxation year are now subject to auction.

The City followed the notification procedures specified in *PATA* to ensure assessed owners of these properties are advised of the arrears status and tax sale provisions by:

- Posting the 2021 tax arrears list at City Hall on March 31, 2022;
- Sending a registered letter notifying the assessed owner(s) of the arrears and tax sale provisions on April 28, 2022;
- Posting the tax arrears list at City Hall, Yellowknife Community Arena, Multiplex, Fieldhouse and Pool on May 31, 2022;
- Publishing the tax arrears list in the *Yellowknifer* on July 22, 2022; and
- Notifying parties with an interest registered against the property on July 27, 2022.

Assessed owners who remained in arrears were offered installment payment plans on April 28, 2022 and reminded of the offer on subsequent notices. If they did not enter into a payment plan, the property was added to the Tax Auction List in Appendix A.

A property can be removed from the Tax Auction List if the City receives payment of the property tax arrears and related expenses or if the assessed owner enters into a payment plan with the City before the public auction.

COUNCIL POLICY / RESOLUTION OR GOAL:

On March 27, 2000, Council adopted the following policy:

Motion #0091-00 That the City sell property at public auction, in accordance with the *Property Assessment and Taxation Act*, when taxes are two years in arrears.

On January 28, 2002, Council adopted the following policy:

Motion #0039-02 That the City bid the minimum price on property offered at a tax auction if the property remained unsold after a previous auction.

On April 8, 2002, Council amended the above policy to state:

Motion #0161-02 That the City sells property at the public auction, in accordance with the *Property Assessment and Taxation Act*, when the taxes are two years in arrears and if auctioning of the property maximizes the amount of taxes the City is able to collect.

APPLICABLE LEGISLATION, BY-LAWS, STUDIES, PLANS:

1. *Property Assessment and Taxation Act*, R.S.N.W.T. 1988, cP-10; and
2. *Cities, Towns, and Villages Act*, S.N.W.T. 2003, c22.

CONSIDERATIONS:

Legislative

The *Property Assessment and Taxation Act* prescribes the tax auction process, including notification, conduct of the auction, and transfer of the property. The City has followed the notice requirements and the City’s solicitor conducts the auction and property transfers.

Council decides, by resolution, which properties, if any, it wishes to offer for sale at public auction. Council sets, by resolution, the date of the auction and the minimum sale price of each property.

Procedural Considerations

It is Council policy to sell property at public auction, in accordance with the *Property Assessment and Taxation Act*, when the taxes are two years in arrears. Taxpayers with arrears less than \$100 have not been included.

Under section 97.3(3) and (4) of the *Property Assessment and Taxation Act*, after entering into an installment payment agreement, the City is authorized to proceed with the sale of the taxable property if the assessed owner fails to comply with the terms of the agreement.

As part of the tax auction process, the taxpayer can redeem the property within 30 days of the auction by paying the tax arrears.

The City may bid on and purchase a property that is offered for sale so long as the purchase falls within the circumstances that the City is able to acquire property under the *Cities, Towns and Villages Act*. No municipal council member, officer or employee may purchase, on his or her own behalf, any taxable property offered for sale, unless the Minister of Finance has given prior approval.

ALTERNATIVES TO RECOMMENDATION:

1. That Council approve an amended list of properties to auction.
2. That Council not approve a public auction date and the minimum sale price.

RATIONALE:

The City adheres strictly to *PATA* provisions in respect to all taxation practices, including the tax arrears collection process. This helps minimize tax arrears, reduces the City’s provision for bad debts, and works towards ensuring the tax burden is borne as equitably as possible.

The recommendation follows the same principles as applied in previous years: when taxpayers know the exact conditions under which a tax auction will be held, property taxes are more likely to be paid and/or arrears payment plans to be signed before the tax auction process starts. This is evident in the numbers from the last five years:

| <i>Tax Year</i> | 2017 | 2018 | 2019 | 2021 | 2022 |
|---|------|------|------|------|------|
| # of Properties on the Initial Tax Auction List | 16 | 13 | 28 | 37 | 16 |
| # of Properties on the Tax Auction List on the Auction Date | 2 | 2 | 5 | 10 | 2 |
| # of Properties Auctioned and Sold | 0 | 0 | 1 | 7 | 1 |

There was no tax auction in 2020.

ATTACHMENTS:

2023 Tax Auction List (Appendix A).

Prepared: January 9, 2023; CS
Revised:

Appendix A
Tax Auction List

| Municipal Address | Legal Description | | | 2021 Total Arrears | 2023 Assessed Value | Minimum Auction Price |
|-----------------------|-------------------|-------|------|--------------------|---------------------|-----------------------|
| | Lot | Block | Plan | | | |
| 224 BORDEN DR | 78 | 558 | 3668 | \$335.73 | \$157,870 | \$78,935 |
| 4919 51 ST | 15 | 24 | 65 | \$615.40 | \$381,290 | \$190,645 |
| 3 SPENCE RD | 8 | 550 | 4692 | \$988.24 | \$103,630 | \$51,815 |
| 2 BUTLER RD | 21 | 557 | 2073 | \$1,714.91 | \$370,060 | \$185,030 |
| 60 BROMLEY DR | 31 | 507 | 1080 | \$1,767.62 | \$301,240 | \$150,620 |
| 205 BORDEN DR | 7 | 555 | 2133 | \$1,919.75 | \$361,360 | \$180,680 |
| 5504 50A AVE | 16 | 105 | 483 | \$2,028.88 | \$293,770 | \$146,885 |
| 542 CATALINA DR | UNIT 100 | | 4729 | \$3,195.17 | \$418,520 | \$209,260 |
| 3 LAROCQUE CRES | 4 | 566 | 3735 | \$4,408.93 | \$269,020 | \$134,510 |
| 558 CATALINA DR | UNIT 92 | | 4729 | \$4,461.14 | \$179,490 | \$89,745 |
| 496 RANGE LAKE RD #12 | UNIT 8 | | 2089 | \$4,592.47 | \$405,900 | \$202,950 |
| 53 HORTON CRES | 26 | 542 | 1420 | \$5,017.31 | \$248,370 | \$124,185 |
| 104 TALTHEILEI DR | 7 | 537 | 2094 | \$5,563.12 | \$581,860 | \$290,930 |
| 106 TALTHEILEI DR | 6 | 537 | 2094 | \$5,668.41 | \$749,090 | \$374,545 |
| 639 ANSON DR | UNIT 20 | | 4729 | \$8,857.28 | \$132,440 | \$66,220 |
| 163 ENTERPRISE DR | 12 | 536 | 2094 | \$12,138.52 | \$863,010 | \$431,505 |
| 132 CURRY DR #B | 21 | 503 | 1578 | \$12,652.29 | \$551,280 | \$275,640 |