



Policy Title: Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy

Policy Number: CS004

Report Number: N/A

Approved by: City Council

Effective Date: 2002 April 29

Business Unit: Corporate Properties & Buildings

BACKGROUND

- The City of Calgary buys, sells and leases property to support City operations, including strategic planning initiatives. Through these property transactions The City can be exposed to environmental liability due to contamination.
- It is The City's intention to limit its environmental liability associated with contamination, as well as manage the contamination impacts on the environment by identifying and managing existing problems.
- In order to do this, The City must be knowledgeable about the environmental condition of properties it manages. The Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy provides information on property contamination to the relevant stakeholders.
- Corporate Properties & Buildings acts as The City's real estate asset manager and applies the S.A.L.E. Policy to property transactions within their mandate.

PURPOSE

The S.A.L.E. Policy was established to:

- Ensure Corporate Properties & Buildings is knowledgeable about the environmental condition of the properties with which the business unit deals.
- Provide environmental assessment information to help manage and allocate liability for contamination.
- Enable Corporate Properties & Buildings to exercise due diligence in property transactions.

POLICY

- This Policy outlines the environmental assessments or investigations necessary before Corporate Properties & Buildings acquires, disposes of, or leases property.



- This Policy applies only to property transactions within Corporate Properties & Buildings' mandate.

[Please see attached Policy Document](#)

PROCEDURE

- Corporate Properties & Buildings ensures the environmental assessments defined in the Policy are conducted for each type of property transaction. Environmental assessments are managed by the Environmental Management business unit
- Council is advised of the outcomes of the environmental assessments and the allocation of liability through the land reports submitted by Corporate Properties & Buildings to Land and Asset Strategy Committee.

[Please see attached Policy Document](#)

AMENDMENTS

None

2010 revision-policy number change from AMCW004 to CS004 due to department reorganization

Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy

**Issue Date:
2002 March 28**

**Revision #3:
2005 January 13**

	Corporate Properties & Buildings EnviroSystem Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy	
Document: CPES 446-SALE	Owned By: Corporate Properties & Buildings	Revision #: 3
Issue Date: 2002 March 28	Approved By: Calgary City Council (2002 April 29)	Last Review: 2005 January 13

CORPORATE PROPERTIES & BUILDINGS

Mandate

Corporate Properties & Buildings acts as the City’s Landlord, Project Manager, Developer and Real Estate Asset Manager. In those capacities, it acquires and holds all City land for municipal purposes, including strategic planning initiatives. Either on its own or through private public joint ventures, it plans, improves and sells land to support those initiatives and promote economic growth. Real Estate activities are intended to be self-supporting. It provides project management, environmental and property management services to other City departments on a “Client/Service Provider” basis. It seeks to provide Business Unit Clients with viable Real Estate solutions or options.

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1.0 PURPOSE

- 1.1 To ensure that Corporate Properties & Buildings is knowledgeable and informed about any Contamination of Property that they deal with.
- 1.2 To obtain Environmental Assessment information on Property that will allow Corporate Properties & Buildings to manage and allocate Liability through business case based real estate recommendations and Transaction agreements.
- 1.3 To exercise environmental due diligence in Property Transactions.

2.0 SCOPE

This policy applies to Property Transactions within Corporate Properties & Buildings' mandate.

3.0 DEFINITIONS

The following definitions apply to this policy:

“Baseline assessment” means a Phase II ESA, conducted by an external consultant, according to the Canadian Standards Association standard Z769-00.

“Contamination” means the existence of any hazardous or potentially hazardous waste, contaminant, substance or other condition in or on a Property, or emanating to or from a Property, resulting from previous or current human activity, use or occupation which has or could impair the quality of air, land or water, adversely affect human health or damage any plant or animal.

“ESA” means Environmental Site Assessment.

“Environmental assessment” means ESA or environmental review.

“Environmental review” means an internal historical use and database review conducted by Environmental Management.

“Expropriation” means the taking of land without the consent of the owner by an expropriating authority in the exercise of its statutory powers.

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“General land sales” means land that is surplus to The City of Calgary’s needs, developed or undeveloped.

“Lease” means a contract between the property owner and a tenant granting use or occupation of Property during a specified period in exchange for a specified rent.

"Liability" means any claim, loss, cost, expense, liability, fine, penalty, interest, payment or damage or any governmental enforcement protection, stop, control or abatement order or any other order or direction from a governmental authority (including reasonable legal and consulting fees and disbursements) associated with or arising from the Contamination of Property.

“License” means a contract between the property owner and a tenant granting occupation of the Property.

“Phase I ESA” means an environmental site investigation conducted by an external consultant according to Canadian Standards Association standard Z768-01.

“Property” means land that is vacant or improved with buildings and other structural improvements.

“Remnant” means a residual piece of land that is not developable in its own right that is to be consolidated with an adjacent parcel.

“Right of way” means the right to carry pipes, wires, conductors or transmission lines on, over or under land and that is registrable under the Land Titles Act.

“Transaction” means purchase, sale, exchange, expropriation, gifts, tax forfeiture, lease and license agreements; but, excludes statutory land dedication, easements and right of way agreements.

4.0 POLICY

4.1 Sales

4.1.1 Corporate Properties & Buildings may, under certain conditions, dispose of contaminated Property.

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4.1.2 Corporate Properties & Buildings will commission a Phase I ESA on sales of:

- Industrial land;
- General land; and,
- Developable road right of way or road allowances.

Unless a prior Phase I ESA report exists and is deemed to be representative of the current condition of the Property.

4.1.3 Corporate Properties & Buildings will not conduct any Environmental Assessment on Remnant Property.

4.1.4 Corporate Properties & Buildings will disclose any Phase I ESA and other environmental information in its possession about a Property to potential purchasers.

4.1.5 Corporate Properties & Buildings will allow potential purchasers to conduct their own Environmental Assessments on Property.

4.1.6 Purchasers will be responsible for any unidentified Liabilities after completion of the Transaction.

4.2 Acquisitions

4.2.1 Corporate Properties & Buildings may, under certain conditions, acquire contaminated Property.

4.2.2 Corporate Properties & Buildings will have an Environmental Review conducted for each of the following Transactions:

- Purchase or exchange;
- Expropriation;
- Gifts;
- Leases where The City of Calgary is the tenant; and,

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- Tax forfeiture.

4.2.3 Corporate Properties & Buildings will not conduct any Environmental Reviews for the following Transactions:

- Statutory land dedication;
- Easements; and,
- Right of ways.

4.2.4 Corporate Properties & Buildings will, where warranted, commission further Environmental Assessments of Property based on the results of the Environmental Review.

4.3 Leases and Licenses

4.3.1 Corporate Properties & Buildings may, under certain conditions, lease or license contaminated Property.

4.3.2 Baseline Assessments will be conducted prior to leasing or licensing a Property, where the previous use or intended use has been identified as having the potential for Contamination.

4.3.3 Corporate Properties & Buildings will disclose the Baseline Assessment and any environmental information in its possession about a Property to the potential tenant.

4.3.4 Upon expiry of the Lease or License and the tenant vacating the site, an Environmental Assessment will be conducted to verify that the Property remains at its environmental baseline condition.

4.3.5 Corporate Properties & Buildings will not knowingly lease or license Property where the Contamination is inappropriate for the intended use.

4.4 Future Interests

Corporate Properties & Buildings will ensure that its exercise of the option to repurchase or right of first refusal is subject to satisfactory ESAs.

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5.0 RESPONSIBILITIES

- 5.1 Corporate Properties & Buildings has a duty to report releases according to Section 110 of the *Environmental Protection and Enhancement Act*, or the appropriate section as the Act is amended from time to time, and The City of Calgary's *Substance Release Reporting Policy and Procedures*.
- 5.2 Corporate Properties & Buildings will cause to be undertaken remediation or risk management as specified in Section 112 of the *Environmental Protection and Enhancement Act*, or the appropriate section as the Act is amended from time to time.
- 5.3 Corporate Properties & Buildings will negotiate the allocation of Liabilities for Contamination within its Transactions.
- 5.4 Corporate Properties & Buildings will document all Environmental Assessments, disclosure of environmental information and allocations of Liabilities.
- 5.5 Corporate Properties & Buildings will include in its land report to Council through Land and Asset Strategy Committee the outcomes of the Environmental Assessments and the allocation of Liability for all Transactions.

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TABLE OF REVISIONS

Revision #	Completed by	Date (yy/mm/dd)	Revision Description/Comments
Initial Release	-	02/03/28	Business unit issue date.
1	T. Moll	02/04/29	Date SALE Policy approved by Calgary City Council.
2	T. Moll	02/09/16	Update references to EPEA. EPEA revised 2002 May 14.
3	T. Moll	05/01/13	Changes to business unit name, header and footer information, location of controlled copy, CSA standard numbering, and Land Committee name.