



## **POINT TROTTER INDUSTRIAL PARK FREQUENTLY ASKED QUESTIONS – AS AT NOVEMBER 1, 2021**

### **What happens once my Purchaser Application Form is accepted?**

A Sales Agent will respond with a non-binding proposal letter outlining the fundamental terms and conditions (similar to that outlined in Purchaser Application Form) for signature as to acceptance by Purchaser. The accepted proposal letter shall be returned to the Sales Agent together with a deposit cheque representing 5% of the purchase price. The deposit may be paid by electronic fund transfer.

Once signed and returned, the Sales Agent will then prepare a Land Report which is presented to the Management Real Estate Review Committee, a committee authorized on behalf of Council to approve the land sale. The approval process will take approximately 4 to 6 weeks. Upon approval, the Purchaser will be informed in writing and the due diligence period will begin.

Prior to the Purchaser entering upon the lands to commence their due diligence, the Sales Agent will prepare a license of occupation for the parties to sign. An insurance binder letter with The City of Calgary as a named insured will be required.

### **What is the purpose of the building commitment and how does it impact the Property?**

Building Commitments have been in place for many years on the City of Calgary's developed industrial land. The City of Calgary develops and sells serviced industrial lots and strategic redevelopment properties to support local economic development and businesses looking to invest in Calgary. This supports job creation, economic diversification, and increases to the non-residential tax assessment base.

To support these benefits and derive maximum value from City-owned land, a Building Commitment is negotiated at the time of sale. Building Commitments are secured by way of an option to repurchase, registered on title to the parcel being sold which is in priority to any registered financing. This commits the purchaser to deliver its intended development and business investments within the Building Commitment timeline. Failure to meet the Building Commitment within the required timeline may result in The City of Calgary exercising on its option to repurchase the land.

### **What are the next steps after the due diligence conditions are waived or satisfied?**

If the Purchaser does not waive or satisfy the due diligence conditions, the transaction will be terminated and the deposit will be returned (without interest) to the Purchaser.

Providing the due diligence conditions are waived or satisfied, The City's Law Department will prepare an Agreement of Purchase and Sale and Option to Repurchase Agreement for execution by the parties.

Default under the terms of the Agreement of Purchase and Sale and Option to Repurchase has serious consequences. Purchasers need to ensure they are familiar with their responsibilities as described in the executed agreements.

At the time of closing/possession, the remainder of the purchase price together with the Servicing Fee is due and payable. Title to the land is transferred to the Purchaser upon payment in full being released to The City of Calgary.

### **Does The City pay finder's fees/commissions?**

Finder's fees will be paid by The City of Calgary to a registered brokerage for any sale where the brokerage is considered a "cause of sale". This fee will be calculated as follows:

- Referral Fee – 25% of the value of a finder's fee
- Sale prices between \$0 and \$1,000,000 - finder's fee of 2.50%
- Sale prices between \$1,000,001 and \$5,000,000 - finder's fee of 2.00%
- Sale prices between \$5,000,001 and \$10,000,000 - finder's fee of 1.50%
- Sale prices above \$10,000,000 – finder's fee of 1.00% to a maximum of \$250,000

No Finder's Fee is payable to a realtor who is a purchaser or director of the purchaser corporation. Finder's Fees will not be paid on any transactions that do not close. Finder's Fees will only be paid to a licensed brokerage registered under the *Real Estate Act*. The Finder's Fee plus GST is payable after Closing.

### **Can I apply for a development permit before the sale transaction is completed?**

Once the due diligence period has been waived, the Purchaser can move forward with development plans. It is mandatory the Purchaser's development permit drawings be signed off by the Design Review Committee (DRC) to ensure compliance with the architectural design guidelines prior to making a development permit application. The Purchaser will then be provided with the authority to apply for a development permit.

Upon request, Real Estate & Development Services, will provide the Purchaser with an inclusion letter to include the property in their development permit application.