
TO: Mayor Kogon and Members of Council

SUBMITTED BY: Jason MacDonald, CAO

DATE: April 24, 2023

SUBJECT: 16 Prince Arthur St Tax Sale Property – Minimum Bid

ORIGIN: Property failed to solicit any bids at the previous tax sale held on December 10, 2019.

LEGISLATIVE AUTHORITY: MGA Section 141 (3) The Council may direct the treasurer as to what constitutes an acceptable minimum tender or bid, if the treasurer is of the opinion that the property might not realize sufficient to cover the outstanding taxes, interest and expenses.

RECOMMENDATION: That Council set the minimum bid for 16 Prince Arthur Street at \$15,000 for the tax sale scheduled on May 16, 2023.

BACKGROUND: The property located at 16 Prince Arthur Street had been vacant since July 12, 2013 and was deemed unsightly and unsafe. Demolition of the property was completed on August 14, 2019. The property was included at the public auction tax sale held on December 10, 2019. No bids were received.

The current balance outstanding on the account is \$81,924.07 and consists of outstanding property taxes from 2017 to 2023 in addition to dangerous and unsightly charges and interest charged on overdue amounts.

DISCUSSION: Given the location and size of the property its value is severely limited. It is likely that it's highest and best use is to consolidate it with an adjacent property for a future larger development. The property is only 3,600 square feet and has an assessment of \$7,300. A value of \$15,000 (\$4.16 / square foot) is similar to the purchase price for the lot at 95 Victoria Street which was purchased by the Town in 2021 for \$6.82 / square foot, and reflects its location on a significantly less visible street.

Staff are recommending that council set a minimum bid of \$15,000 for the pending May 16, 2023 tax sale.



FINANCIAL IMPLICATIONS: A valuation allowance for unsightly premises for this property has been recorded in the amount of \$64,539.39 at March 31, 2022. The valuation allowance will be adjusted again at March 31, 2023 and it is estimated to increase to \$71,619.77. The allowance is recorded to recognize the potential reduction in value due to the outstanding amount not likely to be fully recovered. This is an offset to determine the net realizable value of the property.

Should this property enable a larger development to take place further tax assessment is possible.

COMMUNITY ENGAGEMENT: The tax sale will be advertised using various media.

ENVIRONMENTAL IMPLICATIONS: There are no environmental implications.

SOCIAL JUSTICE IMPLICATIONS: There are no social justice implications.

ALTERNATIVES: Do not set a minimum price or set an alternative minimum price.

ATTACHMENTS: None