

Policy Title: Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy
Report Number: ALT2020-0063
Adopted by: Administrative Leadership Team
Effective Date: January 14, 2020
Last Amended: N/A
Policy Owner(s): Real Estate Services

1. PURPOSE

1.1 The purpose of this administration policy is to:

- a. Ensure that The City is knowledgeable and informed about any Contamination of a Property associated with Transactions;
- b. Obtain Contamination information with respect to a Property that will allow The City to manage and allocate Liability through business-case-based real estate recommendations and Transactions; and
- c. To exercise environmental due diligence in Transactions.

2. POLICY STATEMENTS

2.1 The City may, under certain conditions, sell, acquire, lease or license a Contaminated Site to or from third parties.

2.2 The City will review the following Contamination information as part of a Transaction:

- a. Environmental Review; and/or
- b. Environmental Assessments.

2.3 The City may commission further Environmental Assessments of a Property where it considers it to be warranted.

2.4 The City may disclose Environmental Assessments in its possession about a Property provided the environmental consultant that prepared the Environmental Assessment or the owner of the Environmental Assessment has authorized The City to do so.

2.5 The City will negotiate the allocation of Liabilities for any Contamination within its Transactions.

2.6 The City will negotiate all costs associated with conducting Environmental Assessments for any Transactions with the purchaser, vendor and/or tenant or licensee, as applicable.

2.7 The City will convene a Working Group to ensure that all Transactions for Large Scale Projects will be completed in accordance with this administration policy.

2.8 The City will implement this administration policy in accordance to the Sales, Acquisitions, and Leases Environmental Procedure.

3. **DEFINITIONS**

3.1 In this administration policy:

- a. **“Applicable Law”** means all statutes, regulations and bylaws, together with any permits, licenses, approvals, authorizations, consents, directives, orders, policies, guidelines, standards, rules, interpretations and other requirements of any federal, provincial, municipal or other governmental or quasi-governmental body, agency, commission, court, tribunal or authority having jurisdiction and lawfully empowered to make, issue, impose or enforce laws with respect to Contamination or a Contaminated Site;
- b. **“Contaminated Site”** means a Property where Substances occur in concentrations exceeding the maximum acceptable amounts under an Environmental Standard are present in, on or under the site;
- c. **“Contamination”** means the presence of a Substance, as defined in the *Environmental Protection and Enhancement Act* (Alberta), in land or water that exceeds an Environmental Standard, but does not include airborne substances in the atmosphere that have not been introduced into land or water;
- d. **“Easement” or “Easements”** means an agreement granting an interest in land owned by another person, consisting of the right to use such land, for a specific purpose or to prevent it from being used for specific purposes;
- e. **“Environmental Assessment”** means an investigation of the environmental condition of a site and may include, but is not limited to, Phase I Environmental Site Assessment, Phase II Environmental Site Assessment, remedial action plan and report, risk assessment, risk management plan, and other pertinent contamination related records; This does not include a hazardous building materials or pre-demolition assessment or an Environment Review;
- f. **“Environmental Review” or “Environmental Reviews”** means a review and summary of information available to The City of Calgary to identify actual or potential Contamination concerns for a Property and includes recommendations for follow-up; Environmental Reviews are conducted by Environmental Management and are for internal use only;
- g. **“Environmental Management”** means The City of Calgary’s Environmental Management Service;

- h. **“Environmental Standard”** means any regulatory requirement under Applicable Law which prohibits Contamination or establishes a qualitative or quantitative limit on the presence of Contamination;
- i. **“Expropriation”** means the taking of land without the consent of the owner by an expropriating authority in the exercise of its statutory powers;
- j. **“Large Scale Projects”** means any project that requires the coordination of stakeholder services or business units to negotiate and execute one or more Transactions;
- k. **“Lease” or “Leases”** means an agreement between The City of Calgary and a tenant or landlord granting the exclusive use or occupation of a Property during a period of time in exchange for a specified rent;
- l. **“Liability” or “Liabilities”** means any claim, loss, cost, expense, liability, fine, penalty, interest, payment or damage or any government 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 a Property;
- m. **“License” or “Licenses”** means an agreement between The City of Calgary and a licensee or licensor granting non-exclusive use and occupation of a Property during a specific period of time in exchange for a specified license fee;
- n. **“Policy”** means this Sales, Acquisitions, and Leases Environmental (S.A.L.E.) policy, as may be amended from time to time;
- o. **“Property”** means land that is either vacant or improved with buildings and/or other structural improvements;
- p. **“Real Estate Services”** means The City of Calgary’s Real Estate Service that is responsible for the administration of this policy;
- q. **“Right of Way”** means the right to carry pipes, wires, conductors or transmission lines on, over or under land and for other purposes that are registrable under the Land Titles Act (Alberta), but does not include a road right of way;
- r. **“Substances”** means any matter that is capable of being transformed and/or dispersed in the environment, along with any sound, vibration, heat, radiation or other form of energy and any combination thereof;
- s. **“The City”** means The City of Calgary;

- t. **“Transaction” or “Transactions”** means a purchase, repurchase, sale, exchange, Expropriation, gift, tax forfeiture, Lease, License, land dedication, right of first refusal, Easement and Right of Way; and
- u. **“Working Group”** means a team of representatives from stakeholders involved in Large Scale Projects.

4. APPLICABILITY

- 4.1 This administration policy applies to all Transactions administered by The City in accordance with The City’s Real Property Bylaw 52M2009, as may be amended from time to time.

5. LEGISLATIVE AUTHORITY

- 5.1 This administration policy is established in accordance to the *Municipal Government Act* (Alberta), the *Environmental Protection and Enhancement Act* (Alberta), and The City’s Real Property Bylaw 52M2009.

6. ROLES AND RESPONSIBILITIES

6.1 Real Estate Services is responsible for:

- 6.1.1 Conducting all Transactions on behalf of The City;
- 6.1.2 Administering budget on behalf of The City services and business units to conduct Environmental Reviews and Environmental Assessments;
- 6.1.3 Requesting Environmental Management to conduct Environmental Reviews and Environmental Assessments of Property;
- 6.1.4 Negotiating the allocation of Liabilities for any Contamination within Transactions;
- 6.1.5 Disclosing any Contamination information on a Property to third parties, provided proper authorization has been obtained as outlined in Section 1.5;
- 6.1.6 Convening a Working Group for Large Scale Projects;
- 6.1.7 Reporting the outcomes of any Environmental Reviews and/or Environmental Assessments in its transactional land report to Council through the Standing Policy Committee on Utilities and Corporate Services or to the Management Real Estate Review Committee, through delegated authority; and
- 6.1.8 Developing and implementing the Sales, Acquisitions and Leases Environmental (S.A.L.E.) Procedure.

6.2 *Environmental Management is responsible for:*

- 6.2.1 Providing Environmental Management services in support of Transactions and Working Groups;
- 6.2.2 Conducting Environmental Reviews of Property;
- 6.2.3 Commissioning and overseeing Environmental Assessments of Property; and
- 6.2.4 Developing and implementing the Sales, Acquisitions and Leases Environmental (S.A.L.E.) Procedure.

7. CONSEQUENCES OF NON-COMPLIANCE

- 7.1 Employees that fail to adhere to this administration policy may be subject to disciplinary action up to and including dismissal.

8. ASSOCIATED PROCEDURES AND STANDARDS

- 8.1 Sales, Acquisitions and Leases Environmental (S.A.L.E.) Procedure

9. AMENDMENT(S)

Date	Report Number	Description

10. REVIEW(S)

Date	Description