



PO Box 1749
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Item No. 11.1.15

**Halifax Regional Council
June 10, 2008**

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in cursive script, appearing to read "Dan English".

Dan English, Chief Administrative Officer

A handwritten signature in cursive script, appearing to read "Wayne Anstey".

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: May 28, 2008

SUBJECT: Lease Agreement - Parcel M-1 - (PID# 40805848) -
Glen Arbour Way, Hammonds Plains.

ORIGIN

This report originates with a request from the Glen Arbour Homeowner's Association for HRM to enter into a long term lease with the Annapolis Group Inc. for Parcel M-1, Glen Arbour Way, Hammonds Plains, for a term of ten (10) years. Regional Council's approval is required due to the term of the lease.

RECOMMENDATION

It is recommended that:

- 1) Halifax Regional Council authorize the Mayor and Municipal Clerk to execute the Lease Agreement between the Annapolis Group Inc., (*Landlord*) and the Halifax Regional Municipality (*Tenant*) for the subject property based on the key terms and conditions outlined in this report.

BACKGROUND

The Glen Arbour Homeowner's Association (GAHA) wishes to implement some landscaping and beautification improvements for their community subdivision entrance. Parcel M-1 is a parcel of approximately 20,641 square feet that is surrounded by inbound and outbound lanes of traffic of the Glen Arbour Subdivision (See Attachment A - Site Plan). The GAHA, in consultation with the property owner, Annapolis Group Inc., seeks to renovate the existing planting beds on Parcel M-1 and install a new stone wall.

In 2008, Real Property was contacted by Park Planning - Infrastructure and Asset Management to negotiate a formal lease agreement for a term of ten (10) years commencing June 1, 2008 and expiring July 1, 2018. The lease has been initially accepted by the owner at a nominal rate of \$1.00 for each year of the full ten (10) year term. The initial lease agreement further allows the Municipality the option to renew for an additional five (5) years. Regional Council approval is required due to the term of the lease.

DISCUSSION

Where current policy prohibits the use of area rates on private property, HRM will lease the subject property so that the proposed neighbourhood improvements can be funded by area rates. The GAHA is using area tax rates, which has been approved by Procurement, to fund the initial construction of the proposed landscaping and land clearing. Infrastructure and Asset Management - Park Planning staff have indicated their support to the GAHA and the proposed improvements to the subject property.

KEY BUSINESS TERMS AND CONDITIONS OF TRANSACTION	
<i>Property</i>	Parcel M-1 (PID# 40805848) Glen Arbour Way, Hammonds Plains.
<i>Landlord</i>	Annapolis Group Inc.
<i>Tenant</i>	Halifax Regional Municipality - Real Property Planning
<i>Area</i>	20,641 sq.ft.
<i>Rental Rate</i>	\$1.00 per year for each year of the full ten (10) year term
<i>Term</i>	Ten (10) years

<i>Special Clauses</i>	<ul style="list-style-type: none">• The Municipality is responsible for all future grass mowing and the GAHA will be responsible for flower bed maintenance;• The Municipality shall provide a minimum of six (6) month's notice to terminate at any time within the term of the lease;• Lease Agreement to be as per HRM format subject to Owner's consent.
<i>Commencement Date</i>	June 1, 2008
<i>Expiry Date</i>	July 1, 2018

BUDGET IMPLICATIONS

The cost for the landscaping improvements (approximately \$20,000) will be covered from area tax rates. The legal costs for the review and registration of the lease agreement (estimated to be \$150.00 + HST and \$79.57 respectively) will be paid for by the Glen Arbour Homeowner's Association.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Regional Council could direct staff to conduct discussions with the Owner for the purchase of the subject property at a value to be determined under current market value.

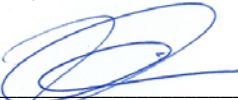
This action is not recommended as no funds are currently budgeted for this acquisition.


ATTACHMENTS

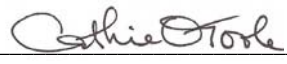
Attachment A - Site Plan (Parcel M-1)

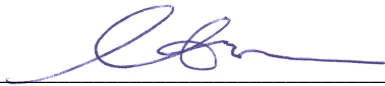
If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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