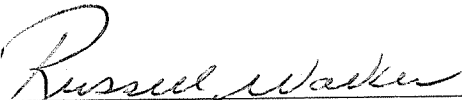




PO Box 1749
Halifax, Nova Scotia
B3J 3A5, Canada

Item No. 11.2.2
Halifax Regional Council
May 18, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Councillor Russell Walker, Chair, HRM Grants Committee

DATE: May 3, 2010

SUBJECT: Property Matter: Community Less than Market Value Lease, 3214
Highway #2 Fall River, Regional Firefighters Interpretation Centre

ORIGIN

HRM Grants Committee meeting of May 3, 2010.

RECOMMENDATION

It is recommended that Halifax Regional Council enter into a less than market value lease agreement with the Regional Firefighters Interpretation Centre as per the terms and conditions set out in Table 2 of the staff report dated April 23, 2010.

BACKGROUND

The HRM Grants Committee discussed the matter, as outlined in the staff report dated April 23, 2010.

DISCUSSION

During the HRM Grants Committee meeting of May 3, 2010, staff advised that a letter was hand delivered to the Regional Firefighters Interpretation Centre on April 29, 2010, advising the Centre of the key lease terms and conditions for Municipal approval(s), as per Attachment 2 of this report.

BUDGET IMPLICATIONS

As per the staff report dated April 23, 2010.

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

As per the staff report dated April 23, 2010.

ATTACHMENTS

1. Staff report dated April 23, 2010.
2. Letter dated April 29, 2010 to the Regional Firefighters Interpretation Centre from Ms. Tara Legge, Community Facility Service Delivery Coordinator, Service Delivery, Community Development, re: Offer to Lease - 3214 Highway #2, Fall River (PID 526939).

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

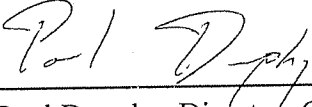
Report Prepared by: Krista Tidgwell, Legislative Assistant, 490-6519



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

HRM Grants Committee
May 3, 2010

TO: Chair and Members of HRM Grants Committee

SUBMITTED BY: 
Paul Dunphy, Director, Community Development

DATE: April 23, 2010

SUBJECT: **Property Matter: Community Less than Market Value Lease,
3214 Highway #2 Fall River, Regional Firefighters Interpretation
Centre**

ORIGIN

Regional Firefighters Interpretation Centre has requested a lease agreement with HRM.

RECOMMENDATION

It is recommended that the HRM Grants Committee recommend that Halifax Regional Council enter into a less than market value lease agreement with the Regional Firefighters Interpretation Centre as per the terms and conditions set out in Table 2.

BACKGROUND

The property (3214 Highway #2, Fall River) belonged to Nelson & Margaret Miller until 1967 when the land through an indenture was sold to Maritime Telegraph & Telephone Company. It is believed that the Millers still own the driveway but have given easements to the old Fire Station, the Open Gate Church and other homes in behind the property.

Around 1989 the Lakeview, Windsor Junction & Fall River (LWF) Community Volunteer Fire Department (located at 843 Fall River Road, which is still a volunteer run community hall) had too many members and could not adequately provide proper fire coverage to the whole area. The LWF Firemen's Association, which is a group of volunteer firefighters and community hall volunteers raised approximately \$30,000 to \$40,000. The group expanded and bought the property, building, trucks and equipment located at 3214 Highway #2. They bought the building and converted it into a second fire hall.

The property was deeded from Maritime Telegraph & Telephone Company to the Municipality of the County of Halifax. This property was purchased by the LWF Firemen's Association, but it was registered in the name of Halifax County. At amalgamation anything in the name of the County became the property of the HRM. Halifax Regional Municipality remains the property owner.

The building became an active fire station in approximately 1991/92 and remained an active station until February 2009 when the new fire station / Gordon R. Snow Community Centre was opened. Once the new station opened the old fire stations located at 3214 Highway #2 and 843 Fall River Road ceased to operate. The old LWF Fire Station (843 Fall River Road) is used as a community hall and is run by a volunteer board. The other property (3214 Highway #2) has not been sold or title transferred to the LWF Firemen's Association and the building remains in the possession of the HRM. The LWF Firemen's Association feel the building and the property still belongs to them.

The Regional Firefighters Interpretation Centre (RFIC) a registered non profit society, is seeking a facility to use as an interpretation centre to host tours and educate the public of firefighting history. This building would be a good fit to display fire trucks and related fire equipment as it was previously an active fire station. The RFIC has expressed an interest in this building to open a firefighters interpretation centre.

DISCUSSION

The Regional Firefighters Interpretation Centre (RFIC) is a non profit society who promote preservation of fire history, restoration vehicles and equipment and other fire related artifacts. The RFIC will be striving towards financial stability by revenue generating events such as tours of the facility. They will be participating in parades and other displays for the public.

The Regional Firefighters Interpretation Centre gather historical information in relation to our communities. For example their information shows Halifax was the first in Canada to have the following: hand propelled fire engine, steam engine Victoria #1 in 1861, motorized pumper, Fire Insurance Company, and Upper Hammonds Plains had the first all black Fire Department.

The RFIC would like to lease the property from Halifax Regional Municipality at a nominal cost and they will be responsible for all operating and capital costs for the building/property.

A number of museums exist throughout the municipality who are not receiving financial support from HRM. The municipality has its own collection and archives, including a fire collection, and also currently owns four properties of historical significance but no specific program for museums or collections, thus, there is no existing HRM program for the RFIC to apply for any operating grants. As a non-profit society, they could apply for property tax assistance.

The property (3214 Highway #2) has gone through the real property review process and the building is not required for any internal HRM use. The RFIC request is more related to the fact it is one of an opportune time for the RFIC as the HRM facility in question was declared surplus to municipal needs and was being considered for next steps, which would have included an Expression of Interest for the use of the property by external parties and possible sale.

The proposed key terms and conditions are as follows:

<i>Property- Civic Address</i>	3214 Highway #2 Fall River, PID 526939
<i>Landlord</i>	Halifax Regional Municipality
<i>Tenant</i>	Regional Firefighters Interpretation Centre
<i>Area</i>	Entire PID 526939 including building
<i>Rental Rate</i>	\$1.00 nominal

<p><i>Specific Conditions and Considerations</i></p>	<ul style="list-style-type: none"> * Tenant will be responsible for the property tax. * Tenant is to maintain \$2 million insurance and HRM is to be named as additionally insured. * Tenant to provide HRM with a list of completed capital repairs as well as major maintenance work completed and is required annually. * HRM to complete a Building Condition Report prior to executing the lease agreement. * Tenant and HRM to agree to the responsibility of the noted maintenance, code and capital repairs required on this property as outlined in the Building Condition Report prior to the signing of the agreement. * Tenant to complete a five year life cycle schedule for the building and the property including but not limited to: capital repairs, code compliance, life safety, and preventative maintenance. * Tenant shall maintain the property & building in a clean and safe condition subject to inspection by HRM. * HRM has the right to assign the lease. * Tenant to complete water testing as per the Provincial guidelines and submit the results to HRM at the expense of the Tenant. For complete guidelines and approved testing facilities www.gov.ns.ca/nse/water/publicwater.asp.
<p><i>Term</i></p>	<p>5 years (April 1, 2010 - March 31, 2015) No renewal. Near the end of the lease the property will go through a Real Property Review and HRM will then determine if the property is surplus.</p>
<p><i>Commencement Date</i></p>	<p>April 1, 2010</p>
<p><i>Permitted Use</i></p>	<p>Museum / Firefighters Interpretation Centre</p>

BUDGET IMPLICATIONS

Operational expenses, preventative maintenance and capital repairs costs will be the sole responsibility of the Tenant. The tenant will be responsible to pay HRM property tax. HRM will request an assessment for the leased property for the 2010-2011 tax roll. Application for tax assistance can be made under By-law T-200 for those who qualify. Council is considering many options to reduce the deficit situation facing HRM. Approving this lease will prevent this property from consideration of potential surplus property sale.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

ALTERNATIVES

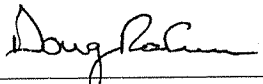
1. HRM could reject this lease proposal and HRM could consider a less than market value sale of the property for a nominal sum to the LWF Firemens Association who could assume the lease agreement and provide long-term stewardship of the asset for community benefit.
2. HRM could reject this lease proposal and initiate a community consultation with the objective to sell the property to the Regional Firefighters Interpretation Centre at less than market value.
3. HRM could reject this lease proposal and issue an Expression of Interest for the property use.


ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Tara Legge, Community Facility Service Delivery Coordinator, CD, 490-8442

Report Approved by: 
Doug Rafuse, Manager, Service Delivery, 490-6205

Financial Approval by: 
Cathie O'Toole, CGA, Director of Finance, 490-6308



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

April 29, 2010

Delivered in Person

Regional Firefighters Interpretation Centre
c/o Donald R. Snider
3303 Novalea Drive
Halifax, Nova Scotia
Canada B3K 3E6

RE: *Offer to Lease - 3214 Highway #2, Fall River (PID 526939)*

Dear : Regional Firefighters Interpretation Centre

This letter is regarding your interest in leasing the premises at **3214 Highway #2, Fall River, PID 526939**. HRM is prepared to recommend the following key lease terms and conditions for Municipal approval(s):

- ▶ **Tenant:** Regional Firefighters Interpretation Centre
- ▶ **Premises:** 3214 Highway #2, Fall River
- ▶ **Use:** Museum / Firefighters Interpretation Centre
- ▶ **Term:** The term shall be 5 years. April 1, 2010 to March 31, 2015.
- ▶ **Rent:** The initial rent shall be a **nominal rate of \$1.00**, the tenant (Regional Firefighters Interpretation Centre) is responsible for all operating and capital costs, however, should the asset be donated to the LWF Firemen's Association this lease may be mutually renegotiated.
- ▶ **Key Clauses** It is HRM's intention to offer the property title to the LWF Firemen's Association within the next year, once the property is declared surplus to HRM needs. If the building ownership changes, HRM will assign the RFIC lease to the new owner, who may wish to renegotiate the lease with you.

The Tenant is to pay as and when they fall due all taxes, rates and charges, assessed or levied in respect of the Leased Property as real property taxes or otherwise, in respect of any business or other activity carried on upon or in connection with the Leased Premises, or in respect of the Tenant's fixtures and equipment, and to indemnify and reimburse the landlord upon demand, for any such taxes, rates or charges which may be assessed to the Landlord (and if not paid, the same shall be recoverable by the Landlord as additional rent reserved and in arrears under this Lease). In light of the potential sale of the building this lease will not be registered this year, therefore, the building will not be assessed for property taxes. If the property is transferred the property tax will be assessed and the owner may transfer the payment responsibility to the Tenant.

That the Tenant shall, at its sole cost and expense, maintain general public liability insurance in an amount and kind satisfactory to the Landlord (but in any event not less than **\$2,000,000.00** per person per occurrence) against all claims for personal injury, death or property damage occurring in, on, or about the Leased Premises and insure that such insurance remains in effect and that nothing is done by the Tenant to affect the validity of that insurance. Upon the request of the Landlord, the Tenant shall provide evidence of insurance coverage satisfactory to the Landlord. **Halifax Regional Municipality is to be named on the insurance certificate as an additional name insured for the duration of the lease with HRM.** The level of insurance may be renegotiated with you by the new owner.

A Building Condition Report has been done on this property and there are twenty-three noted deficiencies / repairs. This agreement will require the Tenant, Regional Firefighters Interpretation Centre to complete the two noted code compliance related issues prior to any public access to the property/ building. The code compliance items are # 18 and # 21 as noted on the attached five page document. These are estimated at \$2,000 dollars to repair and replace.

HRM will discuss the other deficiencies and repairs noted in the Building Condition Report with the Tenant which will need to be repaired, if the property title is not transferred to the LWF Firemen's Association.

The Tenant is responsible to complete water testing as per the Provincial guidelines and submit the results to property owner (HRM) at the expense of the Tenant.

If the above terms and conditions are satisfactory please sign below in the space provided and return a copy of letter to my attention.

Halifax Regional Municipality
Attn: Tara Legge, 2nd floor Alderney
PO Box 1749
Halifax, Nova Scotia
B3J 3A5

If you have any questions please do not hesitate to call me at 490-8442.


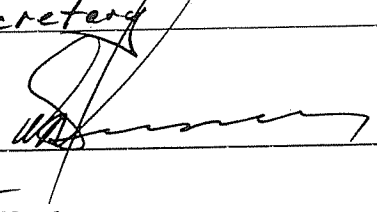
Yours truly,



Tara Legge
Community Facility Service Delivery Coordinator
Service Delivery, Community Development

cc: Doug Rafuse, Service Delivery Manager, Community Development
cc: Peta Jane Temple, Team Lead, Grants and Contributions, Community Development

Attachment: Section 3 from the Building Condition Report,
"Deficiencies, Repair estimates and Priority (Time)" 5 pages

REGIONAL FIREFIGHTERS INTERPRETATION CENTRE	
Acceptance: 	Date: <u>1 May 2010</u>
Title: <u>Secretary</u>	
Acceptance: 	Date: <u>1 May 10</u>
Title: <u>Treasurer</u>	

COMMUNITY DEVELOPMENT, Service Delivery

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