



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

Item No. 10.1.4
Halifax Regional Council
August 3, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by

A handwritten signature in black ink, appearing to be "Wayne Anstey".

Wayne Anstey, Acting Chief Administrative Officer

Original Signed by

A handwritten signature in black ink, appearing to be "Mike Labrecque".

Mike Labrecque, Deputy Chief Administrative Officer

DATE: June 24, 2010

SUBJECT: Community Facility Lease Agreement - 28975 Highway #7
Moser River Community Hall Association

ORIGIN

This report originates with Service Delivery staff. A formal agreement needs to be in place with HRM to manage and operate the Moser River Community Hall by a Community Board.

RECOMMENDATION

It is recommended that Halifax Regional Council authorize the Mayor and the Municipal Clerk to enter into a Facility Lease Agreement with the Moser River Community Hall Association to manage and operate the Moser River Community Hall, as per the key terms and conditions set out in Table 1.

BACKGROUND

In 2003, Fire Services and Capital Projects started the Municipal Approval process to construct a new fire station. This station was planned to be built on the same land as the existing Moser River Fire Station /Community Hall. During the planning and preconstruction stages, HRM received a letter from members of the Moser River community. The letter indicated the community members were interested in locally managing the existing community hall / fire station and any site amenities. HRM responded to their request in a letter dated August 11, 2003, explaining the process and procedure HRM is required to follow once a building is declared surplus and the options of selling verses leasing.

The construction of the new Moser River Fire Station began in September 2005 and was completed a year later. The Moser River Fire Station opened on August 5, 2006. Currently, the new Fire Station and the former Fire Station / Community Hall are on the same property and share a septic system, however, they have separate wells and parking areas.

The community hall and the old fire station were contained under the same roof and shared a well, heating system and septic system. The community hall portion of the building was in good repair, however, the fire station was in need of major repairs. In 2006, Fire Services turned the building over to the community group and gave them \$10,000 to help with their start up costs. The building has been kept up by the community and they have completed many of the necessary repairs over the past few years, although they did not have a formal agreement with HRM. A building condition audit was also initiated by HRM to help in the analysis of whether the building would be suitable to retain and enter into an operating and lease agreement with the community group.

The Moser River Community Hall Association was incorporated on July 12, 2007 and are currently the volunteer board who are maintaining the HRM asset. Many of the volunteers on this board have been active in other volunteer organizations in the community and have many years of experience. They have demonstrated ability to manage and operate the Moser River Community Hall with good stewardship of a public asset while continuing to represent the interest of community. The Moser River Community Hall Association was given a copy of the building condition audit and will be repairing the non capital /project items as their budget allows. HRM has a list of the capital/ project work that was outlined in the inspection report which will be completed as HRM's budget permits.

DISCUSSION

The Board will assume a role that Regional Council is familiar with from many other HRM owned facilities and often referred to as management and operating agreements. The agreement title has been changed to better reflect roles, responsibilities and risk management clarity. A draft operating budget was prepared. It is forecasted that revenues generated from the facility and access to the Contribution Fund grant program will provide sufficient funds to offset all operating costs.

This agreement is not a less than market value agreement and therefore does not have to go through the Grants Committee.

A fair market value is determined by taking into consideration the following:

1. The Moser River Community Centre Board is responsible for the management and operating costs of the facility; no management fee will be paid by HRM.
2. The community board provides community-based Recreation and Service Delivery.
3. Several constrictions of usage in that the facility must meet the public use standards such that during at least 50% of the time it is operating, any member of the public may access the amenity at either no cost or a cost reasonable for the type of facility use or service availability.
4. Condition of the facility.

Starting from a market value and then taking all of the above factors into consideration, staff have determined the appropriate fair market rent is revenue neutral to HRM. This value is similar to the value attached to the existing management agreements.

The key terms and conditions are as follows:

Table # 1

<i>Property- Civic Address</i>	28975 Highway #7, Moser River, Nova Scotia (40594517)
<i>Zoning</i>	RE (Rural Resource)
<i>Landlord & Owner</i>	Halifax Regional Municipality
<i>Tenant & Operator</i>	Moser River Community Hall Association
<i>Commencement Date</i>	August 1, 2010
<i>Rent (\$0.00)</i>	No rent is charged as the Board will provide the management, assume operating costs, and provide programming services.

<i>Term & Renewal Term</i>	5 years - reviewed annually by Service Delivery, 1 year renewal (conditional)
<i>Specific Conditions</i>	<ul style="list-style-type: none"> * Their services must provide a direct contribution resulting in a positive impact to and for HRM citizens. These services shall contain an inclusion policy. * The Community Board will follow the guidelines of Public use as set out in the FLA. "Public Use" is to ensure public resources are utilized to the benefit of the general public. * The reasonableness of cost will be determined through comparable facilities, program user fees, demographics and facility location. * Community Board is responsible for payment of property tax for third party leases which shall then be recovered from the lessee. * The Community Board will carry the required insurance as set out in the FLA and HRM is to be named as additionally insured. If alcohol is served or consumed on the premise, then the Community Board must ensure from HRM Risk Management that the coverage is sufficient. * The Community Board will comply with all financial reporting requirements as indicated in the FLA. * The Community Board is required to have prior written permission from HRM to lease any space which is to be used exclusively by an individual, business, or group. Any leases will be approved by HRM and shall not exceed past the term of the FLA.

BUDGET IMPLICATIONS

The Moser River Community Association will continue to be eligible for programming subsidies through the Contributions Fund as part of Community Development, Service Delivery departmental operating budget (C705-Facility Management). The facility is included in the annual HRM project budgeting process.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

The completed community engagement process complies with the HRM Community Engagement Strategy which included a public meeting at the outset to determine need, viability and capability of the community.

ALTERNATIVES

No alternative is recommended at this time.

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.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, 490-8442

Report Approved by:

Doug Rafuse, Manager, Service Delivery , 490-6205

Financial Approval by:

Cathie O'Toole, CGA, Director of Finance, 490-6308

Report Approved by:

Paul Dunphy, Director of Community Development