

Item No. 10.1.2
Halifax Regional Council
November 22, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original signed by 

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: October 28, 2011

SUBJECT: Property Matter: Less than Market Value, Temporary Lease Agreement,
3182 Highway #2 (former Fall River Recreation Centre)

ORIGIN

This report originates from an unsolicited request from the Fall River & District Lions Club (the Lions) through the area Councillor to gain permission to use the facility at 3182 Highway #2 (former Fall River Recreation Centre) and the parking lot in December to provide the annual service of a Christmas tree lot and the Christmas Express.

RECOMMENDATION

It is recommended that Halifax Regional Council enter into a less than market value temporary lease agreement with the Fall River & District Lions Club as per the terms and conditions set out in Table 1 of this report.

BACKGROUND

The former Fall River Recreation Centre located at 3182 Highway #2 was replaced in the fall of 2008 by the new Gordon R Snow Community Centre.

This facility has been vacant since it closed in 2008, with the exception of being used for a few short term events such as: the Haiti Relief efforts (2010), Xmas Express (2010), and HRM search and rescue training/practice. This property is presently under review for property rationalization.

Under the HRM Charter, a resolution to lease a property at less than market value requires approval by a two-thirds majority vote of Council.

DISCUSSION

The Fall River & Riverlake District Lions Club has requested to use the former Fall River Recreation Centre and the parking lot in December for two temporary uses. The first use is a Christmas Tree lot and the second is space in the facility for the Xmas Express.

The Lions have sold Christmas trees in the community for the past 10 - 12 years. Normally, this has been located in the Sobeys parking lot, however, this year due to construction, an alternative location is needed. The former Fall River Recreation Centre is a convenient replacement location. The Lions are requesting to use this location from December 1st until December 20th.

The second request is for space to accommodate the Xmas Express. The Lions collect, store and distribute food to those in need in the community. The Lions are requesting to use the facility for the Xmas Express from December 10th until December 31st.

The Fall River & Riverlake District Lions Club is a registered non-profit society and is an active society with the Registry of Joint Stocks. The Lions will be required to have their own insurance at a minimum of \$2 million liability insurance during the term of the agreement. The insurance coverage will need to be approved by HRM Risk & Insurance and HRM is to be named on the policy as additionally insured.

Facility Services currently pays the utilities for this facility and will continue to do so during this time.

Table #1	
Property – Civic Address	3182 Highway #2, former Fall River Recreation Centre
Landlord	Halifax Regional Municipality
Tenant	Fall River & Riverlake District Lions Club
Commencement Date	December 1, 2011
Term	1 month (December 1, 2011 – December 31, 2011)
Rental Rate	Nil
Area and Location	building and parking lot
Permitted Use	The parking lot to be used for the sale of trees from December 1 to December 20 and the facility to be used as an auxiliary building for washroom needs. The facility to be used December 10 to December 31 for the collection, storage, and distribution of food to families in need.
Insurance	Tenant is to maintain \$2 million insurance policy approved by HRM and HRM is to be named on the policy as additionally insured. HRM will continue to maintain the property insurance. The tenant is responsible for content insurance for their assets. If the Tenant chooses not to insure their assets, HRM will not be responsible if a loss was to occur.
Specific Conditions	The Lions will keep the building clean including the washrooms, and stocked with supplies. They will be responsible to remove all refuse, recyclables, organics from the property during and at the end of this agreement.

BUDGET IMPLICATIONS

Facilities Management, Transportation & Public Works, will continue to provide building operating costs. Understanding that this property is presently being reviewed under property rationalization, approving this temporary lease does not impact that 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

Due to the nature of these events and the short term of the agreement, no public form of community engagement has been completed.

ALTERNATIVES

1. Regional Council could reject or amend the staff recommendation. This action is not recommended for reasons outlined in the report.

ATTACHMENTS

None

**Property Matter: Less than Market Value
Temporary Lease Agreement
Council Report**

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, 490-8442

Report Approved by: _____
Denise Schofield, Manager, Community Development & Partnerships, 490-6252

Report Approved by: _____
Peter Stickings, Manager, Real Estate & Business Parks, 490-7129

Report Approved by: _____
Phillip Townsend, Director, Planning & Infrastructure, 490-7166

Financial Approval by: _____
James Cooke, CGA, Director of Finance/CFO, 490-6308

Report Approved by: _____
Brad Anguish, Director, Community & Recreation Services, 490-4933

Original Signed