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Item No. 11.1.1
Halifax Regional Council
October 28, 2014

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: September 25, 2014

SUBJECT: Land Lease Renewal – Department of Natural Resources
Fire Station No. 63 – 160 West Pennant Road, Sambro.

ORIGIN

This report originates with a request from Fire and Emergency Services to renew Land Lease No. 4424, with the Nova Scotia Department of Natural Resources (DNR), for existing Fire Station No. 63, on lands at 160 West Pennant Road, Sambro.

Leases with a term, inclusive of renewals, greater than five (5) years require Regional Council's approval.

LEGISLATIVE AUTHORITY

This report, and the recommendations contained herein, are in compliance with Halifax Regional Municipal Charter Section 61, Power of the Municipality regarding property, subsection (5)(c); The Municipality may lease property at market value.

RECOMMENDATION

It is recommended that Halifax Regional Council authorize the Mayor and Municipal Clerk to renew Lease Agreement No. 4424 between Her Majesty the Queen in right of the Province of Nova Scotia, represented by the Minister of Natural Resources for the Province of Nova Scotia (Landlord) and Halifax Regional Municipality (Tenant) in accordance with the key terms outlined in Table 1 of this report.

BACKGROUND / DISCUSSION

The former Municipality of the County of Halifax entered into a ten (10) year renewable land lease for the subject lands in November 1990, for the purpose of constructing and operating a community fire station. The land lease was renewed for an additional ten (10) years in 2000 taking the lease up to September 30, 2010.

In 2010, DNR advised HRM it would agree to over hold the existing lease agreement as DNR was changing its policies affecting rental rates for leasing of Crown Land. Fire and Emergency Services was also conducting a review of this facility and other stations in this area. DNR has completed its policy changes and is now seeking to formally renew land lease No. 4424 under the new rental formula of five percent (5%) of the 2014 property assessment value of \$8,966.85 as provided by Service Nova Scotia and Municipal Relations. This is a minor increase to the previous rental amount and Halifax Fire and Emergency Services has concluded this station should remain and not be decommissioned at this time.

Table 1: Key Business Terms

Lease No.	4424
PID No.	00480509
Property Address	160 West Pennant Road, Sambro
Vendor (Landlord)	Her Majesty the Queen – Represented by Minister of Natural Resources
Lessee (Tenant)	HRM
Land Area	5.27 acres (229,561 sq.ft.)
Land Lease Use	HRM Fire Station No. 63 and volunteer fire fighter parking only
Annual Rental Rate	\$448.34 (\$1,701.49 / acre X 5.27 acres X 5%) plus applicable HST
Administrative Fee	\$726.04 plus applicable HST (one time processing fee)
Term	Ten (10) years with option to renew for an additional Ten (10) years
Commencement Date	1 October 2014
Option to Terminate	Either party can terminate for any reason upon giving sixty (60) days written notice
Condition(s)	<ul style="list-style-type: none">• HRM is responsible to conduct annual monitoring water well testing and submit test results to DNR by May 1st of each year;• HRM is responsible to remove any and all contaminated soil upon the demolition and removal of the fire station building at end of term. Land is to be reinstated to natural condition.

FINANCIAL IMPLICATIONS

Funding in the amount of the \$726.04 (plus applicable HST) for the one time administrative fee and \$448.34 (plus applicable HST) for the annual rental rate is available from Halifax Fire and Emergency Operating Account Number F160-6699. Budget availability has been confirmed by Finance.

HRM is responsible to remove any and all contaminated soil upon the demolition and removal of the fire station building at end of term. The costs to perform this work are unknown until such time the building is demolished and the extent of contaminated soil underneath the building slab can be more accurately determined.

COMMUNITY ENGAGEMENT

As the existing fire station is not surplus to Halifax Fire and Emergency Services at this time, the community was not engaged for this report.

ENVIRONMENTAL IMPLICATIONS

In June, 2005, it was discovered that the external furnace oil tank behind the building was damaged and oil had spilled onto the ground. HRM hired an environmental consultant to identify the extent of fuel contamination and to remove all identified impacted soil. All accessible contaminated soil was removed but additional tests identified there was additional affected soil underneath the building slab. HRM advised the Province of this contamination event and due to the substantial remediation costs for the affected soil under the building, HRM requested DNR's consent to leave the contaminated soil until such time Fire Services decommissioned the fire station. DNR agreed to HRM's request on the condition that a management plan and annual monitor wells were in place.

ALTERNATIVES

Regional Council may choose not to approve the renewal of the land lease but this is not recommended.

ATTACHMENTS

Attachment A – Site Plan

If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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ATTACHMENT "A" 160 West Pennant Road, Sambro SITE PLAN

