

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
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Item No. 14.1.3
Halifax Regional Council
November 22, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

Original Signed by 
Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: September 26, 2016

SUBJECT: Administrative Order 50 – Disposal of Surplus Real Property
– Package 05.16

ORIGIN

This report originates with the April 9, 2013, Regional Council approval of Administrative Order 50 respecting the Disposal of Surplus Real Property.

LEGISLATIVE AUTHORITY

- The Municipality's powers regarding real property: Sections 61, 63 and 64 of the *Halifax Regional Municipality Charter*
- Administrative Order 50 – Respecting the Disposal of Surplus Real Property

RECOMMENDATION

It is recommended that the Halifax Regional Council:

1. Declare the properties contained in Attachments B, C and D of this report, as surplus to municipal purposes; and
2. Categorize the properties declared surplus within this report as specified in Attachments B, C and D for the purposes of Administrative Order 50, respecting the Disposal of Surplus Real Property.

BACKGROUND

On April 9, 2013, Council approved Administrative Order 50 for the disposal of surplus real property. Administrative Order 50 provides a regular and comprehensive disposal approach by bringing before Council an inventory of candidate properties for review and decision with respect to: (1) surplus status; and (2) category of disposal methods. It also recognizes that certain properties may, from time-to-time, be strategic for the growth of the municipality or key for community, and that these properties can be identified early in the process and streamed into the most appropriate property category based on the definitions set out in the policy. The policy requires that, at a minimum of at least once per year, a surplus property report will be brought forward to Regional Council.

Property Review And Declaration Of Surplus

The disposition of surplus property under Administrative Order 50 includes the following steps:

1. Staff will facilitate at least one annual review of the Municipality's real property inventory in order to identify potentially surplus properties;
2. All Business Units will be solicited to identify any municipal requirements for those properties identified as potentially surplus;
3. Following Business Unit reviews and identification of operationally surplus property, municipal staff, using the property category definitions under Administrative Order 50, will categorize the inventory of the properties and list them by category;
4. Surplus properties are categorized as follows:
 - Economic Development,
 - Community Interest,
 - Ordinary,
 - Remnant,
 - Extraordinary, and
 - Inter-Governmental;
5. Local Councillors and Community Councils will be informed of the inventory of properties and the proposed categories by staff. Property information packages will be distributed to Councillors and Community Councils for feedback;
6. A recommendation report to Council will be prepared, containing recommended lists of properties to be declared surplus and the recommended categorization and disposition method. Council may approve the recommendations, may remove any property from any list, and may move any property from one list to another list, and may declare the lists, or any of them, surplus to the Municipality's requirements;
7. Properties recommended for market sale shall be placed on the market under the disposal methods set out in Administrative Order 50. Approval of final conveyances shall be under delegated authority or by approval of Regional Council as required;
8. Properties recommended for community process shall be advertised for non-profit organizations' proposals as set out in Administrative Order 50. Approval of less-than-market-value sales, or leases to non-profit organizations, shall be by Council as per Section 63 of the Halifax Regional Municipality Charter. If no submissions are received, or none are approved, then Council will direct the market value disposal under the policy.

This report addresses step six and seeks Council's approval of the report recommendations respecting the lists of properties to be declared surplus, and by category, as attached to this report.

Council should note that the recommendation at this time does not authorize the conveyance or sale of properties. Approval of final conveyances shall be under delegated authority or by subsequent approval of Regional Council, as required.

DISCUSSION

The summary of surplus property by category is provided in Table 1 below. Full property listings and respective detail, by property, are provided as Attachments to this report.

TABLE 1

Property Category	Quantity	Area (sq.ft.)	Assessment
Ordinary	6	301,994	\$6,604,300
Remnant	1	7,251	n/a
Extraordinary	1	11,730	n/a
Totals	8	\$320,975	\$6,604,300

Note: The above information was compiled using available Provincial assessment data and area approximations of subject parcels. The assessment value is intended to give Council a measure of value, and may not be an accurate reflection of current market value.

FINANCIAL IMPLICATIONS

Surplus properties will continue to be maintained by HRM until they are disposed. Operating costs in 2014/15 were \$152,000. The North Street, Dartmouth parcels (i.e., PIDs 40506875 and 40938110, as per Attachment B) generate net parking revenue of approximately \$29,000 annually. Upon sale of surplus properties, net proceeds will be directed to the Capital Fund Reserve, Q526 or the Strategic Reserve, Q606, in accordance with the Halifax Regional Municipality Charter Section 120 (3)(a). Transfer of ownership will also impact property tax revenues in future fiscal years.

RISK CONSIDERATION

If there are significant risks associated with specific properties, those risks are identified in respective properties' detail in the attachments to this report.

COMMUNITY ENGAGEMENT

This report deals with an administrative matter and, as such, public consultation was not undertaken.

ENVIRONMENTAL IMPLICATIONS

Implications not identified.

ALTERNATIVES

1. Council could elect not to declare the recommended inventory of properties, or specific properties, surplus to municipal requirements, and remove them from the list.
2. Council could recommend changes to the categorization of specific surplus properties for Council's consideration.

ATTACHMENTS

Attachment A Administrative Order No. 50
Attachment B Ordinary Properties
Attachment C Remnant Properties
Attachment D Extraordinary Properties

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.

Report Prepared by: Rudy Vodicka, Project Manager, Real Estate Development, Corporate Real Estate,
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Report Approved by: _____
John Traves, Q.C., Director, Legal, Insurance & Risk Management Services,
902-490-4219

Original Signed

ADMINISTRATIVE ORDER NUMBER 50 RESPECTING THE DISPOSAL OF SURPLUS REAL PROPERTY

Be it resolved as an Administrative Order of the Council of the Halifax Regional Municipality as follows:

SHORT TITLE

1. The Administrative Order may be cited as Administrative Order Number 50, the Disposal of Surplus Real Property Administrative Order.

INTERPRETATION

1A In this Administrative Order,

(a) “government” means the Government of Canada, Government of the Province of Nova Scotia, a corporation that is an agent of Her Majesty in Right of Canada or the Province, and a municipal unit; and

(b) “municipal unit” means a regional municipality, town or county or district municipality as set out in the *Municipal Government Act*.

POLICY STATEMENT AND CATEGORIZATION

2. (1) The Municipality can acquire and sell real estate within its legislative provisions. Real estate holdings can be a “corporate” asset necessary for municipal functions and purposes of the business units or may be held for particular use of inhabitants of HRM for example, parks and institutional uses. Corporate assets are subject to corporate review by the Asset Owner Business Unit for continuing requirement. Where the business units of HRM have determined that properties no longer serve an operational requirement of the corporation or otherwise appear to be surplus to the needs of the Municipality, then the policy of disposal to be followed in all cases, excepting municipal property which requires particular process through statute or common law or property available in the Municipal Business Parks, is as directed by this policy of Council.

(2) The Municipality will dispose of real property Council determines is no longer required for the purposes of the Municipality. Staff will identify surplus properties by the following categories:

Economic Development

(a) Strategic properties having Economic Development potential ought be sold to:

- (i) maximize use or value;
- (ii) achieve the attraction of targeted industries and employment or the regeneration of neighborhoods;
- (iii) to advance development opportunities; and
- (iv) to generate financial return to the Municipality.

Community Interest

- (b) Properties known to have potential for community use, in particular where:
- (i) there has been a prior community or institutional use of the property; or
 - (ii) by location or scarcity of available property the consideration would reasonably arise.

Ordinary Sale

- (c) Properties of an:
- (i) ordinary or routine nature;
 - (ii) which no longer have a municipal purpose.

Remnant

- (d) Properties which are remaining or subdivided lands which:
- (i) by nature of their size or dimensions have limited or no reasonable use;
 - (ii) but which may have utility for abutting property owners, and can be disposed under s. 64 of the Charter allowing Council to set a price that is less than market value.

Extraordinary

- (e) Properties having an historic or legal distinction which include conditions or extraordinary process with respect to their preservation or disposal including but not limited to:
- (i) the Halifax Commons;
 - (ii) the Dartmouth Commons;
 - (iii) streets;
 - (iv) any municipal properties, including parks, which are held in trust, or upon condition, or with reserving interests, or like constraints;
 - (v) and parkland acquired through subdivision process.

Intergovernmental Transfer

- (f) Properties requested by another level of government which:
- (i) will be used for a public purpose; and
 - (ii) sold for market value.

PROPERTY REVIEW AND DECLARATION OF SURPLUS

3. (1) Real Estate and Land Management staff will facilitate at least one annual review of the Municipality's real property inventory in order to identify potentially surplus properties.
- (2) All Business Units will be solicited to identify any municipal requirements for those properties identified as potentially surplus.

- (3) Upon completion of Business Unit reviews and identification of the operationally surplus property the Real Estate and Land Management Unit will categorize the nature of the inventory of the properties and list them by category.
- (4) Local Councillor and Community Council will be informed of the inventory of the properties and the proposed categories by staff. Local Councillor will then have the opportunity to contact local community to discuss potential surplus properties to gauge interest in potential disposal methods for the properties with area residents. The result from these potential community consultations will then be included in the surplus property report that comes to Council.
- (5) Real Estate and Land Management staff will prepare a Surplus Property Report at least one a year to Council which will attach lists of properties by category. The report will recommend that all lists of properties should be declared by Council to be surplus property, that each category be approved by Council, and that the disposal method recommended for each list under this policy be approved by Council.
- (6) Council may approve the recommendations, may remove any property from any list, and may move any property from one list to another list, and may declare the lists, or any of them, surplus to the Municipality's requirements.

DISPOSAL METHODS

4. (1) Following Council approvals under Part 2, staff shall proceed to dispose of the properties as determined by category.

Ordinary Properties

- (a) These properties shall be placed on the market by Real Estate and Land Management. The sale of market properties may be achieved through:
 - (i) direct marketing by staff;
 - (ii) listing contracts with licensed real estate brokers;
 - (iii) public tenders; or
 - (iv) proposal call methods.
- (b) Determination of the achieving market value will be supported by appraisal or through the receipt of sufficient offers over an appropriate exposure period.
- (c) Approval of final conveyances shall be under delegated authority or by approval of Council as required.

Economic Development Properties

- (d) These properties viewed by Council to be strategic may be disposed through individually recommended processes contained in the Surplus Properties Report, and may include referral to a special committee or task force of HRM created for the purpose of overseeing the strategic use and disposal of a property.

Properties under this category are required by the Charter to be sold at market value and can include partnership models between private developers and nonprofits and municipally defined public use or service delivery components.

Community Interest Properties

- (e) Properties with this potential will be advertised by staff, led by Grant Program Staff, with support of Community and Recreation Services, after being the subject of a public information meeting in the area of the property. After advertising the opportunity to submit proposals, non-profit organizations will have a minimum of 90 days and a maximum of 120 days to submit a written proposal for the use of the property. Submissions should set out:
 - (i) the name, composition and legal status of the group, its purpose and management structure, including office-bearers;
 - (ii) the nature of the activities proposed;
 - (iii) a financial statement;
 - (iv) a business plan for the first five years; and
 - (v) a clear statement of the terms the group is prepared to offer for the purchase or lease of the property.
- (f) All submissions received on or before the last day of submissions will be evaluated by a cross-disciplinary staff committee, including finance and community resources expertise, enlisted by the Grants Program staff for content compliance, viability, compensation, and for benefit to the Municipality. Grants staff will develop criteria that will be publically available for scoring the community interest projects.
- (g) Staff will report to Council on the submissions received and the evaluation by staff, including the advisability of a Buy-Back Agreement and the terms of any suggested Buy-Back Agreement.
- (h) Council may determine to select a submission which would be considered on the basis of s. 63(1), (2), (3), (4), (5) of the Charter, the statutory mandate for Council being whether Council considers the non-profit organization to be carrying on an activity that is beneficial to the Halifax Regional Municipality.
- (i) Council will also consider the overall context of the disposal, including:
 - (i) the market value of the property as appraised;
 - (ii) the Planning Strategies of the area of the property;
 - (iii) the benefit of any cost saving to the Municipality;
 - (iv) the consequences, beneficial or otherwise, to the community or the Municipality as a whole;
 - (v) the beneficial considerations of any submission against the benefit to the Municipality of selling the property at market value; and
 - (vi) whether or not a Buy-Back Agreement is a condition of a sale.

- (j) If Council decides to consider the disposal at less than market value, if a property is worth more than \$10,000, under s. 63(3), Council must first hold a public hearing respecting the sale and advertise as per s. 63(4), (5):

63(4) The Council shall advertise the public hearing at least twice, in a newspaper circulating in the Municipality, the first notice to appear at least fourteen days before the hearing.

(5) The notice of the public hearing shall include the date, time and place of the hearing, the location of the real property or a description of the tangible personal property, the estimated value of the property and the purpose of the sale. *2008, c. 39, s. 63.*

- (k) The resolution of approval for sale requires passage by at least a two-thirds majority of the Council present and voting.
- (l) In the event that Council rejects any or all non-profit organizations' submissions to purchase at a less than market value, Council may direct staff to proceed to sell the property at market value.

Remnant properties

- (2) Staff will negotiate the sale of such parcels with any interested abutter of such lands and at such price as supported by appraisal or set by Council directly or through policy adopted by Council.

Extraordinary properties

- (3) This category of properties will be dealt with as required by legislation, common law, or contract that governs any disposal by the Municipality, and may be omitted from this policy.

Intergovernmental Transfer

- (4) This category of properties will be dealt with as directed by Council.

APPRAISALS

5. At least one appraisal of the current market value of any Ordinary property, Community Interest property, Economic Development property, or Intergovernmental Transfer property will be obtained as part of the disposal process. Appraisals will remain confidential until the sale is completed.

IMPLEMENTATION

6. This policy shall apply as of the date of approval of Council, excepting properties which are:
- (i) already approved by Council as surplus;
 - (ii) under agreement of purchase and sale through delegated approval as of the date of Council approval of this policy;
 - (iii) going to Council for approval by individual report up to and including March 31, 2013.

Done and passed in Council this 9th day of April, 2013.

Mayor

Municipal Clerk

I, Cathy Mellett, Municipal Clerk of Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on April 9, 2013.

Cathy Mellett, Municipal Clerk

Notice of Motion:
Approval

March 26, 2013
April 9, 2013

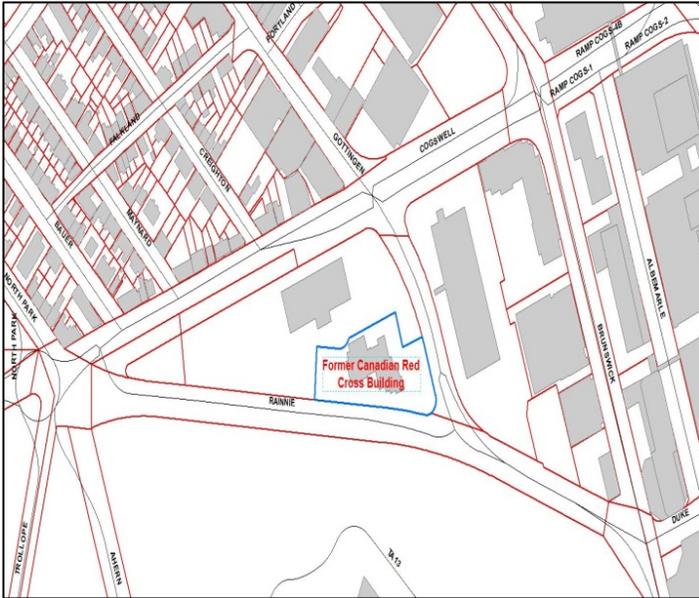
Amendment # 1 – addition of category – Intergovernmental Transfer
Notice of Motion:
Approval:

February 24, 2015
March 10, 2015

Attachment B – Ordinary Properties
COUNCIL REPORT – Administrative Order 50 – Package 05.16

1940 Gottingen Street, Halifax

PID 00002063



Proposed Category	Ordinary	Land Area	+/- 52,159 sq. ft. (1.2 Acres)
Disposal Method	As per Admin. Order 50	Building Area	+/- 43,109 sq. ft.
District	7	Asset Use	Red Cross Building
Councillor	Mason	Operating Costs	\$152,000 (2014/15) \$138,000 (2013/14)
Land Use Bylaw	Downtown Halifax	PVSC* Assessment	\$6,146,400 (2016 Commercial)
Zone	DH-1	Deed On File	Red Cross Lease 1967 / 1983

***PVSC (Property Valuation Services Corporation)**

Background

- This building was leased by Halifax Regional Municipality to the Canadian Red Cross:
 - First lease: November 30, 1967
 - Second lease: December 16, 1983

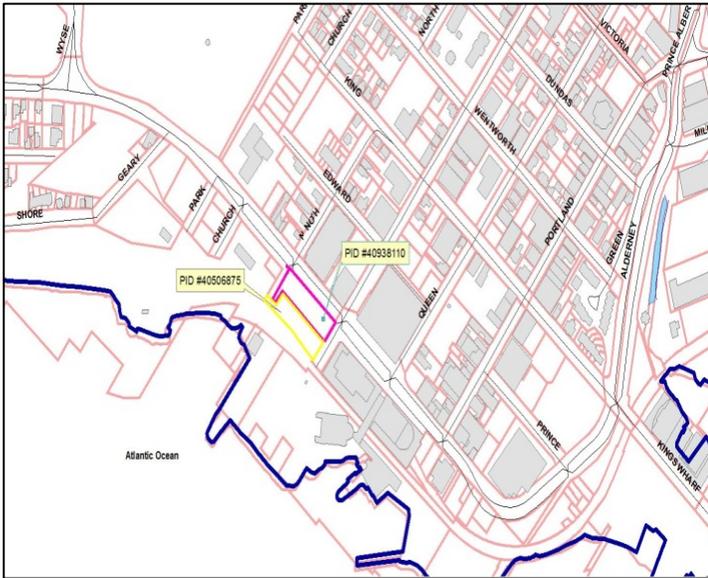
Discussion

- Technical Review: Apr 2013 – Halifax Regional Police requested retention for operational considerations, but in 2015, that consideration ended. All other business units recommended to surplus in 2016.

Attachment B – Ordinary Properties
COUNCIL REPORT – Administrative Order 50 – Package 05.16

North Street, Dartmouth

PIDs 40506875 &
40938110



Proposed Category	Ordinary	Land Area	+/- 18,000 sq. ft. (.41 Acres) +/- 19,166 sq. ft. (.44 Acres)
Disposal Method	As per Admin. Order 50	Building Area	n/a
District	5	Asset Use	Parking Lots
Councillor	Austin	Operating Costs	~Parking revenues: \$40,000 Less ~Operating Costs: <u>(\$11,000)</u> Retained Earnings: \$29,000
Land Use Bylaw	Downtown Dartmouth	PVSC Assessment	\$320,000 2015 Commercial
Zone	W	Deed On File	Deed 1993

Background

- The southwestern parcel (PID 40506875) is used for Fleet (Operations Support) parking and the northeast parcel (PID 40938110) is used for monthly parking rental;
- These parcels are not part of the Dartmouth Common.

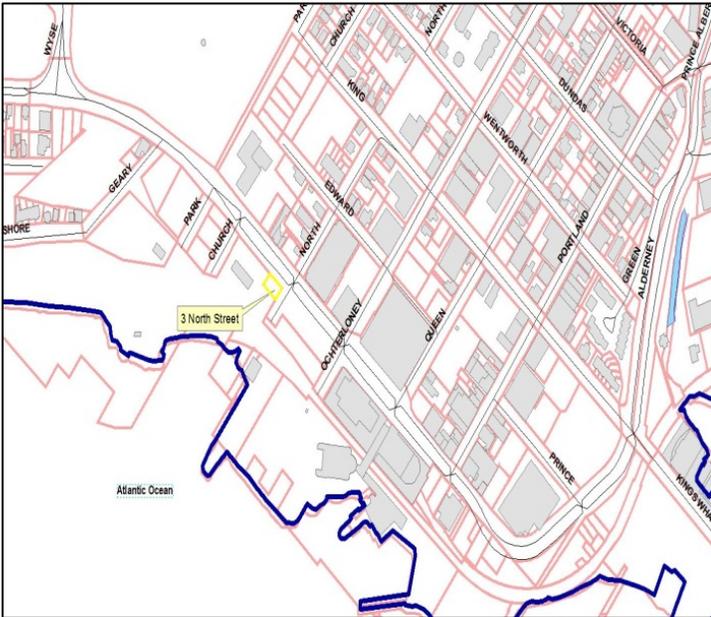
Discussion

- Technical Review: Retention of a portion of the site for sidewalk and potential bus stop/layover space at time of subdivision is recommended;
- Steering Committee: These parcels are a significant development opportunity in the Downtown Dartmouth Plan with high value for the municipality, both from a Center Plan and financial perspective. The western panhandle of the lower parcel (depicted in yellow in the above satellite image, PID 40506875) that appears to cross the North Street streetline should be subdivided and retained as right of way;
- Future project planning would include internal parking plan for users of lots.

Attachment B – Ordinary Properties
COUNCIL REPORT – Administrative Order 50 – Package 05.16

3 North Street, Dartmouth

PID 00175166



Proposed Category	Ordinary	Land Area	+/- 3,825 sq. ft. (.088 Acres)
Disposal Method	As per Admin. Order 50	Building Area	n/a
District	5	Asset Use	Vacant Land
Councillor	Austin	Operating Costs	n/a
Land Use Bylaw	Downtown Dartmouth	PVSC Assessment	\$71,300 (2015 Commercial)
Zone	W	Deed On File	1993

Background

- Vacant parcel, serving no municipal purpose other than accommodating a sidewalk within the right-of-way, parallel to Alderney Drive.

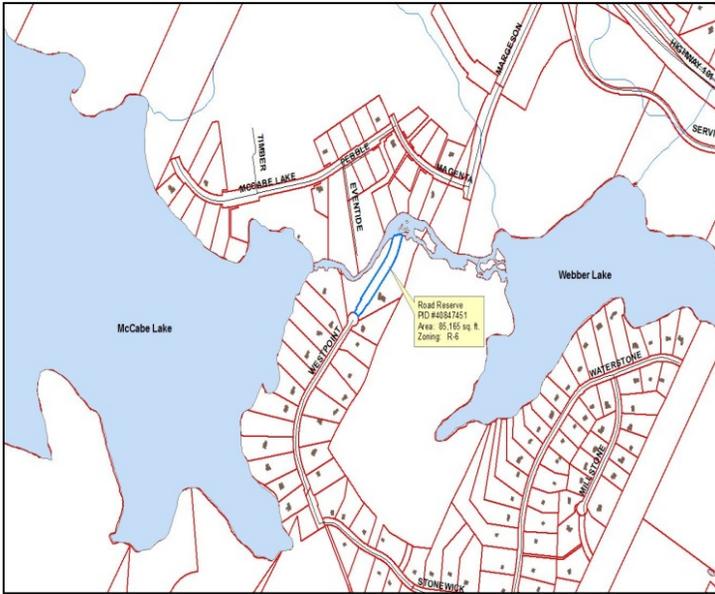
Discussion

- Technical Review: no municipal operational need has been identified in the 2015 technical review with exception of sidewalk and sidewalk buffer/setback retention.

Attachment B – Ordinary Properties
COUNCIL REPORT – Administrative Order 50 – Package 05.16

West Point Drive, Hammonds Plains

PID 40847451



Proposed Category	Ordinary	Land Area	+/- 85,165 sq. ft. (1.96 Acres)
Disposal Method	As per Admin. Order 50	Building Area	n/a
District	14	Asset Use	Road Reserve (not Right of Way)
Councillor	Blackburn	Operating Costs	n/a
Land Use Bylaw	Beaver Bank, Hammonds Plains & Middle Sackville	PVSC Assessment	\$ 12,000 (2016 Residential Exempt)
Zone	FP; R-6	Deed On File	January 7, 1999

Background

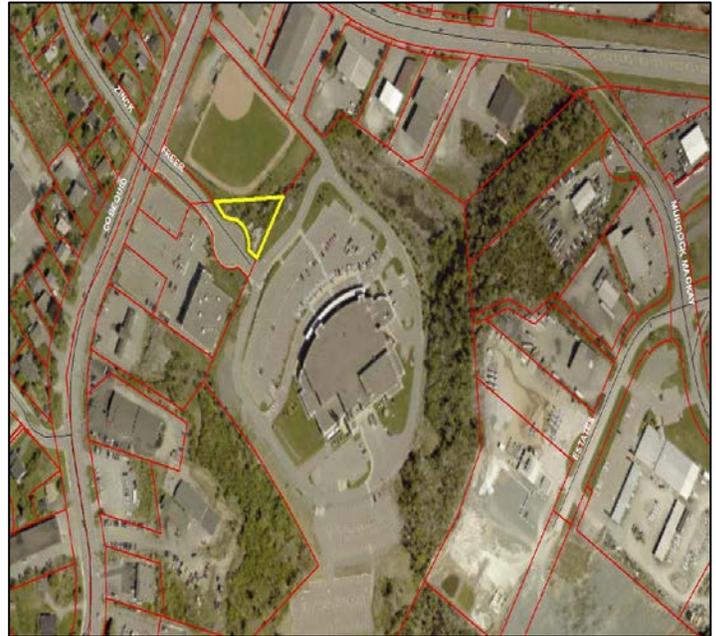
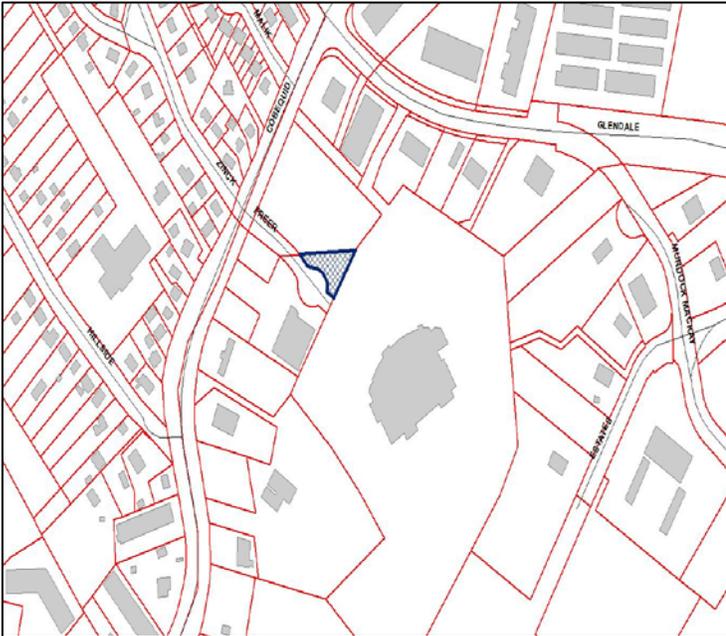
- This is a Road Reserve which at one time was planned to align with the new Margeson Drive to the north, but the alignment of the road was eventually changed in design and this parcel is therefore no longer necessary.

Discussion

- In November 2011, Capital Works, Regional Plan Transportation, Public Works & Transportation and Planning Applications requested this parcel be retained until the proposed connection was settled and plans were completed;
- In 2015, all business units advised to surplus.

Cobequid Road, Sackville

PID 41154790



Proposed Category	Ordinary	Land Area	+/- 12601 sq. ft. (.29 Acres)
Disposal Method	As per Admin. Order 50	Building Area	n/a
District	15	Asset Use	Ball Field
Councillor	Craig	Operating Costs	n/a
Land Use Bylaw	Sackville	PVSC Assessment	\$39,100 (2015 Commercial Exempt)
Zone	BP	Deed On File	January 9, 2007

Background

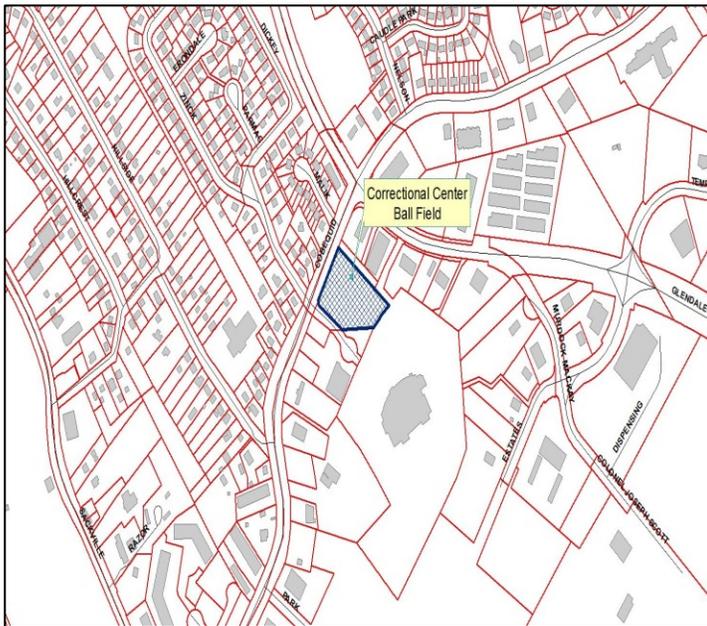
- This property is identified as Parcel 482B (Park) as per Nova Scotia Property OnLine, Plan 87163250, HRM Subdivision 11504;
- This parcel was deeded to Halifax from Nova Scotia Business Incorporated (NSBI), January 9, 2007, as part of an acceptance of Freer Lane and NSBI property to south;
- The parcel accommodates drainage infrastructure;
- This parcel is associated with and will be sold with 191 Cobequid Road, Sackville (PID 40871337) as described on the next page.

Discussion

- Technical Review: retention of enough land to accommodate cul de sac according to Standard Detail, and review retention associated with on-site culvert.

191 Cobequid Road, Sackville

PID 40871337



Proposed Category	Ordinary	Land Area	+/- 111,078 sq. ft. (2.55 Acres)
Disposal Method	As per Admin. Order 50	Building Area	n/a
District	15	Asset Use	Ball Field
Councillor	Craig	Operating Costs	n/a
Land Use Bylaw	Sackville	PVSC Assessment	\$15,500 (2015 Resources Exempt)
Zone	P-2	Deed On File	No

Background

- This property is known as the Correctional Center Ball Field, and identified as Lot 5;
- This ball field is now surplus to HRM Parks and Recreation operating requirements coincident with the completion of Eddie LeBlanc Field improvements;
- This parcel is associated with and will be sold with Cobequid Road, Sackville (PID 41154790) as described on the previous page.

Discussion

- Technical Review: retention of sufficient land to accommodate future sidewalk and active transportation trail requested;
- Steering Committee: The sport field does not offer sufficient parking and is surrounded by commercial properties; therefore its best use is to surplus this parcel in favour of future commercial purposes, subject to rezoning, and for this reason, the Eddie LeBlanc Fields were upgraded.

Attachment C – Remnant Properties
 COUNCIL REPORT – Administrative Order 50 – Package 03.15

Kempt Road & Intercolonial St., Halifax

PID 00019489



Proposed Category	Remnant	Land Area	+/- 7251 sq. ft. (.17 Acres)
Disposal Method	As per Admin. Order 50	Building Area	n/a
District	8	Asset Use	Vacant
Councillor	Smith	Operating Costs	n/a
Land Use Bylaw	Halifax Peninsula	PVSC Assessment	n/a
Zone	C-2	Deed On File	No Deed

Background

- This parcel came about when the City of Halifax relocated and layed down certain street lines on the north and south sides of Kempt Road and Intercolonial Street;
- Service easements for Halifax Regional Water Commission infrastructure are in place;
- Heritage Gas easement required prior to disposal;
- The subject parcel has been closed as a right of way;
- Parcel to be subdivided and sold to the two (2) abutting owners.

Discussion

- Technical Review: all Business Units requested that said property be deemed surplus - Environmental Eng. Services requested easement in favour of sewer infrastructure.

Attachment D – Extraordinary Properties
 COUNCIL REPORT – Administrative Order 50 – Package 05.16

Bambrick Road, Middle Sackville

PID 40912412



Proposed Category	Extraordinary	Land Area	+/- 11,730 sq. ft. (2.7 Acres)
Disposal Method	As per Admin. Order 50	Building Area	n/a
District	14	Asset Use	Right of Way
Councillor	Blackburn	Operating Costs	n/a
Land Use Bylaw	Sackville	PVSC Assessment	n/a
Zone	R-6A	Deed On File	No

Background

- This property is part of the street right of way (see green outline in above diagram) where Westwind Ridge meets Bambrick Road, however, it is wider than a normal street right of way at this location and follows the full length of the requesting proponent’s property (i.e., adjacent property to the west.)

Discussion

- Technical Review: no municipal need identified.