

7.1



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
May 2, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Wayne Anstey, Acting Chief Administrative Officer

DATE: April 18, 2006

SUBJECT: **H00153 - Application for De-registration of 78 Shore Road, Dartmouth**

SUPPLEMENTARY REPORT

ORIGIN

Request by Regional Council (March 21, 2006) for additional information on alternatives to de-registration of 78 Shore Road, Dartmouth.

RECOMMENDATION

It is recommended that Regional Council approve the de-registration of 78 Shore Road, Dartmouth, as shown on Map 1.

BACKGROUND

After closing the public hearing for the de-registration of a municipally registered heritage property at 78 Shore Road in Dartmouth, members of Council discussed possible alternatives to de-registration. The possibility of HRM purchasing the property was raised, but the matter was deferred until staff were able to gather more information on the possible purchase and its implications. Council also wanted to know how many other registered heritage properties are owned by HRM and what they are used for.

DISCUSSION

Heritage Properties owned by HRM

HRM currently owns 24 municipally registered heritage properties. The primary use of six of these properties can be categorized as a public site and include City Hall, the Cenotaph, the Dingle Park, the Dockyard Clock, the Public Gardens and the Mont Blanc Anchor Site. Another three properties are used by HRM as offices, and these include City Hall, the Moirs Mills Power House on the Bedford Highway, and the Power House across from the Public Gardens. Thirteen properties are leased for a variety of uses including residential and non profit organizations. Information on the original uses, purchase dates, and price paid for these HRM owned properties could not be located.

It is worth noting that four of these HRM owned registered heritage properties are presently under negotiation for sale - three to non-profits and one to a private developer. All four properties will have conditions placed on the sale to protect the heritage value of the property.

Retaining Wall

Municipal permits are not required for fences or walls unless they abut the public right of way. The national building code solely regulates buildings, and other municipal by-laws do not regulate fences and walls. Review of the lot files for the properties did not add any further information relating to the age or construction of the retain wall.

Costs associated with purchase of 78 Shore Road (Assessed Value/ Market Value)

The owners purchased 78 Shore Road three years ago for \$200,000, and have stated that if they were to sell they would ask \$300,000 today. According to the owners, part of the reason for this asking price is the location of the property overlooking the Halifax Harbour and its potential redevelopment value as four townhouse units. The assessed value of the property (2005) is \$182,900.

In early 2005 the Heritage Trust of Nova Scotia Heritage examined the possibility of purchasing this property, and commissioned an appraisal. The appraisal company made an allowance of \$80,000 to correct the deficiency in the rear foundation wall and concluded that market value of the property would be less than \$150,000.

Options for Purchase by HRM

HRM is presently divesting itself of properties rather than acquiring new ones. Acquisition of new properties should not occur unless there is a clearly articulated public need for the property. The Municipality does not have a need for this property. If HRM were to purchase the property, this would have to be funded through a budget increase or removal of another capital budget item.

Option 1 (Purchase, Own and Operate)

The Municipality could purchase the property and operate it. Under this scenario, HRM would bear the cost of the purchase (\$150,000 - \$300,000), the cost of restoration (\$80,000 - \$100,00), and all future capital and operating costs.

Option 2 (Purchase and Donation to Non-Profit)

HRM could purchase the building and donate it or sell it to a non-profit organization. This would be an expression of interest from non-profit organizations interested in acquiring title for a nominal fee (one dollar). The non-profit organization would also assume all restoration and operating costs. HRM would lose the money spent on purchasing the property, but would place conditions on the sale to protect the heritage value of the property.

Option 3 (Purchase and Re-sell to Non Profit)

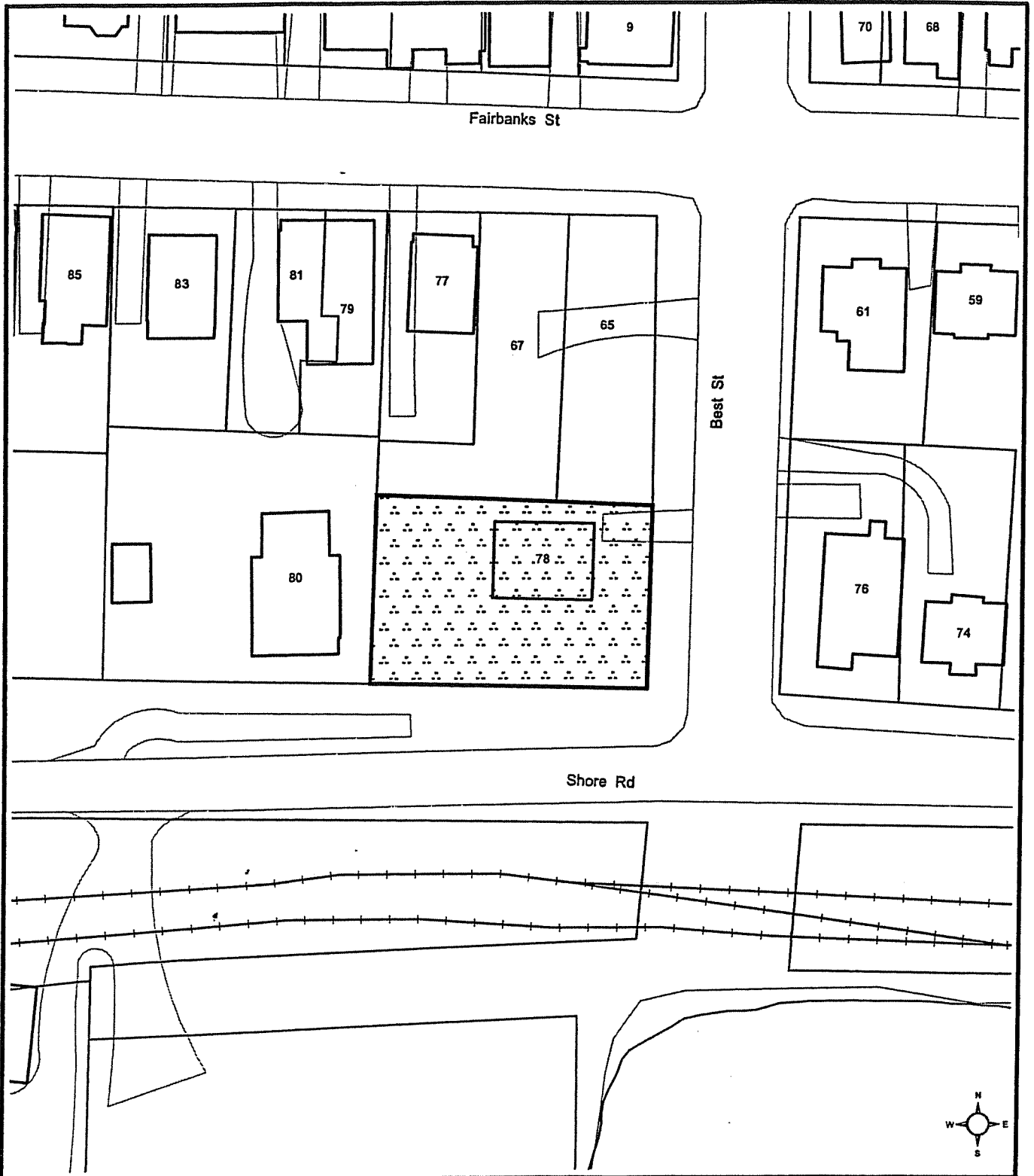
Similar to Option 2, HRM could purchase the property but would re-sell to a non-profit organization through a lease-to-buy agreement. However, unlike the Option 2 scenario, HRM would not lose the entire purchase price. The purchase would be prorated over a number of years though monthly payments from the 'tenant' who would have ownership of the property once the purchase price has been fully paid. HRM would be responsible for the longer term financial risk.

Conclusion

The owners have examined all possible options to save the building, but have concluded that they cannot afford the restoration costs. The owners basic wish is to de-register the property so they may demolish and rebuild a new retirement home. It has been their wish from the outset to retire at this particular location. They have indicated that if their asking price of \$300,000 could be met, they would be willing to sell the property, and purchase a new property in the same neighbourhood. Staff cannot support the purchase of the property at the proposed asking price as it is much higher than both the assessed value and appraised value.


BUDGET IMPLICATIONS

A purchase of this property would have budget implications, but staff are not recommending that Council take this direction. Should Council opt to further pursue a purchase of the property, staff would provide the full budget implications, including a negotiated purchase price, remediation of the foundation and other related structural components of the building, and annual maintenance/operating costs of the property.



Map 1 - Location Map

78 Shore Road
Dartmouth

 Property to be de-registered
as a heritage property



HALIFAX
REGIONAL MUNICIPALITY
PLANNING AND
DEVELOPMENT SERVICES

HRM does not guarantee the accuracy
of any representation on this plan.

Attachment A

HRM Owned Registered Heritage Properties

	Civic Address	Property Name	Primary Use	PID	Circa
1	1790 Argyle St, Halifax	Cenotaph	Monument	40469520	1749
2	1749 Argyle St, Halifax	City Hall/ Grand Parade	Public Building/Site	00002782	1888
3	1588 Barrington St, Halifax	Church of England (Kyber Building)	Cultural Facility - leased to non-profit groups	00076471	1888
4	1690 Bell Rd, Halifax	Bell Road Stables (Bengal Lancers)	Recreation Facility - facility management agreement	00136416	1908
5	2125 Brunswick St, Halifax	Charles F. DeWolf Bldg	unknown	40831109	1869
6	2275 Brunswick St, Halifax	Huestis House - <i>request by tenants to purchase in 2006</i>	Residential - leased	40078149	1887
7	30 Dingle Rd, Halifax	Sir Sandford Flemming Cottage	Residential - leased	00252700	1886
8	32 Dingle Rd, Halifax	Sir Sandford Flemming Barn	Monument/Park	00252700	1850
9	260 Dingle Rd, Halifax	Dingle Tower/ Park	Monument/ Park	00252700	1912
10	68 Parkhill Rd, Halifax	St. Augustine Chapel	Recreation Facility	00279893	1896
11	George St, Halifax	Dockyard Clock	Monument	40343675	1767
12	5769 Spring Garden Road	Public Gardens	Gardens/Park	00125559	1902
13	110 Spinnaker Dr, Halifax	Mont Blanc Anchor Site	Monument	00251827	1917
14	5711 Sackville St, Halifax	Power House	HRM Offices	00125559	1902

15	1869-85 Upper Water Street	Historic Properties	Commercial - long term lease	00003459	1830
16	2901 Windsor St, Halifax	Halifax Forum	Commercial - Recreation Facility	00004010	1926
17	15 Fort Sackville Rd, Bedford	Fort Sackville Manor House	Museum - Facility Management Agreement	40753766	1800
18	9 Spring St, Bedford	The Teachery	Residential/cultural facility - leased	40107138	
19	926 Bedford Highway, Bedford	Moirs Mills Power House	Public Building - Information Centre	40017477	1878
20	88A Creighton Ave, Dartmouth	Oakwood House	Recreation Facility - leased to non-profit groups	00097618	1867
21	53 Ochterloney St, Dartmouth	Thomas Boggs/Lawrence Harts Bldg - <i>under sale negotiations</i>	Residential - leased to Dartmouth Non-Profit Housing	00109512	1837
22	57 Ochterloney St, Dartmouth	Quaker Whaler House	Museum - Facility Management Agreement	00109496	1786
23	130 Ochterloney St, Dartmouth	Greenvale School - <i>under sale negotiations</i>	Vacant	00175190	1915
24	47 Wentworth St, Dartmouth	Grace Hiltz House - <i>under sale negotiations</i>	Offices - leased to non-profit groups	00109454	1909