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Halifax Regional Council
October 12th, 2004
In Camera

November 23 2004

DECLASSIFIED

TO: Mayor Kelly and Halifax Regional Council

SUBMITTED BY: *Russell Walker*
Councillor Russell Walker, Chair, HRM Grants Committee

DATE: September 20th, 2004

SUBJECT: **Property Matter: Transfer of Title 53-55 Ochterloney Street, Dartmouth, to Dartmouth Non-Profit Housing Society**

PRIVATE AND CONFIDENTIAL

ORIGIN

This report originates with Regional Council's authorization for staff to negotiate the sale of the HRM-owned heritage property located at 53-55 Ochterloney Street, Dartmouth, to the Dartmouth Non-Profit Housing Society (Minutes, Regional Council, May, 1998).

RECOMMENDATIONS

HRM Grants Committee recommend that Regional Council:

1. Authorize the Mayor and Municipal Clerk to enter into an Agreement of Purchase and Sale whereby the property located at 53-55 Ochterloney Street, Dartmouth, be conveyed to the Dartmouth Non-Profit Housing Society for the sum of \$1, subject to site survey and legal description, and the terms and conditions set out in the Discussion section of this report.
2. Council set a date for a public hearing.
3. Authorize the immediate release of this report.

PLEASE RETAIN FOR PUBLIC HEARING

BACKGROUND

In a report to Regional Council dated May 19, 1998, the HRM-owned registered heritage property located at 53-55 Ochterloney Street, Dartmouth, was declared surplus. Staff were authorized to negotiate the sale of the property to the Dartmouth Non-Profit Housing Society for a nominal fee. The HRM Heritage Advisory Committee agreed with the disposal of the property "...under the condition that the future owner would be required to waiver any right to demolish the building, or alter the existing side yards and building set backs" (HAC, March 4, 1998). While approved in principle the agreement has not been executed fully and a public hearing must be held in accordance with Section 51 of the Municipal Government Act (1996).

DISCUSSION

Dartmouth Non-Profit Housing Society was formed under the auspices of the former City of Dartmouth to provide affordable housing for low income individuals and families. In 1982, the Dartmouth Non-Profit Housing Society leased the first floor of the premises for a nominal rent and have continued in this location after amalgamation and the provincial/municipal service exchange agreement of 1996. The society's Board have agreed to the heritage conservation of the property. As a registered non-profit organization, the society is eligible to apply for government grants. And, if title transfer is approved by regional Council, the organization can apply for property tax exemption under By-law T-201.

Staff of HRM Real Property & Asset Management Services and the HRM Grants Program recommend the disposal of the property in support of affordable housing.

Key Terms and Conditions:

HRM Real Estate Division shall be compensated for any expenses incurred in appraisal fees, legal fees, or site survey as applicable. There shall be no cost for staff labour.

Property Tax:

Municipal property taxes shall be payable as per the assessment value and municipal tax rate. Any reduction in property tax shall be applied for under By-law T-201.

Heritage Registration:

The title-holder shall be required to adhere to the HRM Heritage By-law and the Nova Scotia heritage Property Act. Any substantive alterations to the building configuration or exterior shall be approved in accordance with the Heritage Property program (Alterations Guidelines). The guidelines include but are not limited to exterior alterations, landscaping, additions and signage. The Heritage Property Program is administered through HRM Planning & Development Services.

Permitted Use:

The rationale for this municipal "in-kind" contribution is in support of the provision of affordable housing and for the continued preservation of a registered heritage property. It is expected that the premises shall operate accordingly.

Right of First Refusal:

In the event that the operations of the Dartmouth Non-Profit Housing Society cease, HRM shall have the right of first refusal to re-acquire title to the property for \$1, excluding any reasonable reimbursement of fees, capital costs or property enhancements less depreciation.

Public Consultation:

A public hearing before Regional Council shall be required.

BUDGET IMPLICATIONS

The cost of the capital and operating for the premises shall be assumed fully by Dartmouth Non-Profit Housing Society which represents a cost-saving to HRM in terms of building insurance, maintenance and administration. As a community-owned and operated heritage property the organization will be eligible to apply for government grants and tax subsidies.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

Under Section 51 of the Municipal Government Act (1996), the municipality can sell a property at less than market value to a non-profit group that Council considers to be carrying on an activity that is beneficial to the municipality. A resolution to sell a property at less than market value shall be passed by at least a two-thirds majority of the Council present and voting, and where the property is valued at more than \$10,000 the Council shall first hold a public hearing.

See also: Council Report, Committee of the Whole, May 19, 1998.

ALTERNATIVES

1. Regional Council could revoke the previous motion of approval (May 19, 1998) and direct staff to conduct a call for proposals or advertise for full market value sale.

This action is not recommended. While Regional Council has the legal authority to revoke a prior recommendation, staff feel that HRM has a moral obligation to a long-term tenant who have agreed to the terms and conditions of sale, the asset is of practical utility to the organization in support of affordable housing for residents, and the heritage status of the property is secured.

ATTACHMENTS

1. Attachment 1. 53-55 Ochterloney Street, Dartmouth. Site plan.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210 or fax 490-4208.

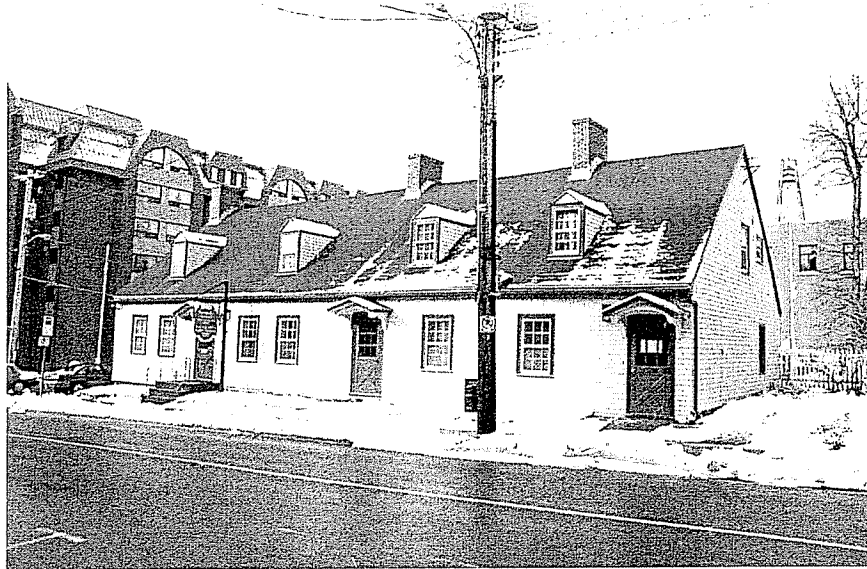
Site Sep 27/04
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Approved By:

Mike Labrecque
Mike Labrecque, Director, Real Property & Asset Management Services

Dale MacLennan
Dale MacLennan, Director, HRM Financial Services

ATTACHMENT "1"
53-55 Ochterloney Street, Dartmouth
SITE PHOTOGRAPHY



Front view of the subject property



Rear view of the subject property



PID #00109512
Area: 9,600 sq. ft.
Zoning: DB

