

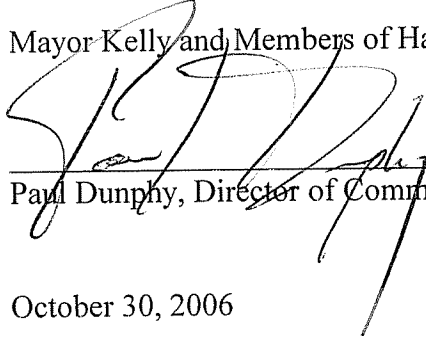


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**Halifax Regional Council**  
**November 14, 2006**

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**   
Paul Dunphy, Director of Community Development

**DATE:** October 30, 2006

**SUBJECT:** Bloomfield Centre: Review of Tenant Occupancy

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## INFORMATION REPORT

### ORIGIN

During discussion at the October 3<sup>rd</sup>, 2006, meeting of Regional Council staff was asked to prepare a transition plan for existing lease agreements at the Bloomfield Centre. This report provides a description of a staff review of tenancy due to commence November, 2006.

### BACKGROUND

The aim of this tenancy review is to gather more detailed information regarding current tenant occupancy at the Bloomfield Centre. This information will form the basis for recommendations regarding future tenancy for Phase III of the Bloomfield Review Project.

Staff has addressed immediate issues re: permitted use and have taken corrective action with respect to two (2) leases to business interests that were not compliant with the site's current zoning of Park & Institutional. Any further corrective action during this tenancy review shall be limited to zoning violations, safety issues, and chronic rent arrears. However, there shall be no adjustment to rental rates in advance of the regular lease renewal process.

On a go-forward basis, as leases are due for renewal, each will be assessed on a case-by-case basis and any less than market value lease shall be approved by Regional Council in accordance with Item 51 (1) of the Municipal Government Act (1998).

## **DISCUSSION**

### **Review Staff**

A sub-committee of three (3) staff has been formed to conduct this review: Community Development Recreation staff, Finance, Transportation & Public Works staff.

### **Tenant Information**

- Confirm non-profit status
- Copy of lease and applicable renewals
- History of occupancy at Bloomfield, rental rate, terms and conditions, duration of tenancy. Prior location and rental rate.
- Financial statement 2005-06 (primary funding sources, capacity, subsidies, contracts etc)
- Programs or services *delivered on-site* at Bloomfield
- Membership or program user list. This list remains confidential but the postal codes can be used by HRM staff to map scope of geographic reach.
- Any amenity that is critical to program delivery
- Alignment with HRM mandate in program and service delivery

Within the context of this review of facility tenancy, the term alignment shall mean the following:

**1. Alternate Service Delivery:** the organization provides a service that HRM would otherwise provide: “In other words, if they did not provide this service, would HRM”?

**2. Discretionary Departmental Interest:** the organization provides a service that HRM would not otherwise provide but departmental staff have determined the service to be a priority and have committed to providing a rent subsidy from the department’s operating budget.

**3. No Alignment:** the organization provides a service that does not meet the above criteria. Non-alignment does not preclude a lease agreement but any such lease would be at market value.

On a case-by-case basis HRM’s rental capacity could be prioritized according to operating costs and cost recovery and sustainability issues.

### **Transition Options**

- Remain at Bloomfield site
- Re-located to an alternate HRM-owned facility
- Transition into market with HRM departmental rent subsidy
- Re-locate to market with no HRM assistance
- Other

**Methods**

- October 30, 2006, each tenant sent a copy of the Phase II Technical Report (July, 2006) and letter of notification re: request for individual meetings.
- Interviews with two representatives of each tenant organization, one of whom shall be a member of the Board of Directors.
- Standard interview (questions) for consistency.
- Collect program and financial information.
- Opportunity for tenant to ask questions of staff.

**Strategic Holdings**

Approximately 2,000 sq.ft. of rental space has been held at the St. Andrews Centre, Bayers Road, Halifax, in the event that some tenants at Bloomfield are re-located. Appropriate and efficient use of this space might require capital upgrades (eg. the building does not have an elevator is therefore not fully accessible for persons with special needs).

**Summary**

A summary on Bloomfield tenancy shall be completed by January, 2007, and submitted to staff/consultants conducting the Phase III consultation process. The report shall provide a summary of tenant profiles, criteria for a determination of alignment with HRM's mandate, and recommendations regarding future tenancy. Staff are also preparing policy and procedures for leasing HRM-owned property to non-profit organizations. The proposed policy shall be forwarded to Regional Council through the HRM Grants Committee for approval prior to March 31<sup>st</sup>, 2007.

**BUDGET IMPLICATIONS**

None. Any staff time or administrative costs are to be covered within existing departmental operating budgets. Depending on the outcome of the tenancy review, there may be budget implications for the upcoming year. Staff will return to Council with the results of the review and will outline any budget impacts of implementing recommended changes at that time.

**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 relevant legislation.

**ALTERNATIVES**

Not applicable.

**ATTACHMENTS**

Not applicable.

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.

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