

Halifax Regional Council
May 15, 2007

TO: Mayor Kelly and Halifax Regional Council

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

DATE: May 7, 2007

SUBJECT: Property Matter: Less Than Market Value Leases

ORIGIN

Grants Committee meeting of May 7, 2007.

RECOMMENDATION

It is recommended that Regional Council:

Enter into a less than market value lease agreement with the following as per the terms and conditions set out in the Discussion sections of the reports attached to this report as Attachments "1 - "5".

1. Canadian Mental Health Association (Halifax Branch)
2. Halifax Transition House Association (Byrony House)
3. Safe Harbour Metropolitan Church (Manna for Health)
4. Safe Harbour Metropolitan Community Church
5. Multicultural Council of Halifax-Dartmouth Metropolitan Area

BACKGROUND

Please refer to the staff reports, attached as Attachments 1- 5, which were approved by the Grants Committee at their Monday, May 7, 2007 meeting.

DISCUSSION

Please refer to the staff reports, attached as Attachments 1- 5.

BUDGET IMPLICATIONS

Please refer to the staff reports, attached as Attachments 1- 5.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

Please refer to the staff reports, attached as Attachments 1- 5.

ALTERNATIVES

Please refer to the staff reports, attached as Attachments 1- 5.

ATTACHMENTS

1. Staff report dated April 27, 2007: Canadian Mental Health Association (Halifax Branch) 2785 Agricola Street, Halifax.
2. Staff report dated April 27, 2007: Halifax Transition House Association (Byrony House) 2786 Agricola Street, Halifax.
3. Staff report dated April 27, 2007: Safe Harbour Metropolitan Church (Manna for Health Food Bank) 2786 Agricola Street, Halifax.
4. Staff report dated April 27, 2007: Safe Harbour Metropolitan Community Church - 2786 Agricola Street, Halifax.
5. Staff report dated April 27, 2007: Multicultural Council of Halifax-Dartmouth Metropolitan Area - 6955 Bayers Road, Halifax.

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.

Report Prepared By: Chris Newson, Legislative Assistant

Attached 1



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

HRM Grants Committee
May 7, 2007

TO: Chair and members of the HRM Grants Committee

SUBMITTED BY: 
Cathie O'Toole, CGA A/Director of Finance

DATE: April 27, 2007

SUBJECT: Property Matter: Less than Market Value Lease: Canadian Mental Health Association (Halifax Branch) - 2786 Agricola Street, Halifax

ORIGIN

This report originates with staff of HRM Transportation & Public Works (Real Property), HRM Finance (Grants Program) and Community Development (Recreation) regarding implementation of the Bloomfield Centre Review Project: Tenancy Plan, March 20, 2007.

RECOMMENDATION

It is recommended that:

HRM Grants Committee approve the staff recommendation to enter into a less than market value lease agreement with the Canadian Mental Health Association (Halifax Branch) as per the terms and conditions set out in the Discussion section of this report.

BACKGROUND

The Municipal Government Act (1989), Section III, Item 51(1) authorizes the sale or lease of an HRM-owned property for less than market value to a registered non-profit organization on the condition that the organization carries on an activity that regional Council considers to be "...beneficial to the municipality". In accordance with legislation and the HRM Transaction Policy (2002), Real Property directs such requests through the HRM Grants Committee. A less than market value lease must be approved by Regional Council but a public hearing is not required.

The Canadian Mental Health Association (CMHA) has leased office and programming space at the Bloomfield Centre since 1992. The current rental is for ~1,700 sq.ft at \$780.98/month including HST. A review of tenancy conducted by HRM staff in 2006 indicates that the *Caring & Sharing Club* (~160 members) and *Building Bridges Program* (~55 members) align with HRM's role in inclusive recreational programming. The society also has administrative offices on the second floor of the Main Building.

DISCUSSION

CMHA is a federally registered Canadian charity and non-profit society that promotes mental health and recovery through advocacy, education, and support services. The association is dependent upon the support of the United Way in the form of core operating funding. HRM staff have confirmed that programming is neighbourhood sensitive: the majority of service users and program participants live in the immediate neighbourhood in Small Options group homes, boarding houses, public housing, or inexpensive apartments or flats. Some clients are not permitted in their accommodations during the day, regardless of weather conditions, and occupy themselves walking, riding public transit, or indoors at shopping malls and public places such as libraries. The *Caring & Sharing Club* provides a "home away from home", companionship, and a sense of pride.

Summary of Key Terms and Conditions (proposed)	
Civic Address	2768 Agricola Street, Halifax
Zoning	Park & Institutional
Occupancy	1,000 sq.ft Room 114 located on the first floor and 700 sq.ft Room 216 located on the second floor of the Main Building, Bloomfield Centre.
Rental Rate	\$8 per sq.ft (\$13,600 per annum \$1,133/month) plus HST and applicable property tax.
Duration of Lease	1 year with the option to renew.
Conditions	No sub-leasing without the written consent of HRM.

The estimated market value for the property is \$16 per sq.ft, plus a proportional share of property tax.

Using the proposed rental rate of \$8 per sq.ft, excluding HST, HRM's rent subsidy would be \$13,600 per year (1,700 sq.ft x \$8 = \$13,600) and the estimated tax subsidy, at this time, would be \$3,400 (\$2 x 1,700 sq.ft) for a combined value of \$17,000.

BUDGET IMPLICATIONS

The execution of this lease will increase revenue by \$5,379 per annum. A proportional share of property tax has not been billed or collected. Staff advise against the creation of an assessment account for the Bloomfield Centre pending a determination of the site's future under Phase III of the Bloomfield Review Project.

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

1. The HRM Grants Committee could overturn or amend the staff recommendation.

This action is not recommended: Leisure and recreational programming by CMHA complements HRM's role in the promotion of inclusive recreation and is neighbourhood sensitive.

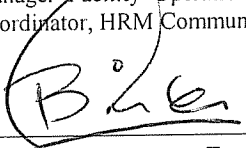
ATTACHMENTS

None.

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.

Report Prepared by: Peta-Jane Temple, Team Lead, Tax Grants & Special Projects, HRM Finance; Diane Moulton, Manager Facility Operations, HRM Transportation & Public Works; Claudette Levy, Area Coordinator, HRM Community Development.

Report Approved by:


Bruce Fisher, Manager, Tax & Fiscal Policy, HRM Finance



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

**HRM Grants Committee
May 7, 2007**

TO: Chair and Members of the HRM Grants Committee

SUBMITTED BY: 
Cathie O'Toole, CGA A/Director of Finance

DATE: April 27, 2007

SUBJECT: Property Matter: Less than Market Value Lease: Halifax Transition House Association (Byrony House) -2786 Agricola Street, Halifax.

ORIGIN

This report originates with staff of HRM Transportation & Public Works (Real Property), HRM Finance (Grants Program) and Community Development (Recreation) in response to the Bloomfield Centre Review Project: Tenancy Plan.

RECOMMENDATION

It is recommended that

HRM Grants Committee approve the staff recommendation to enter into a less than market value lease agreement with the Halifax Transition House Association (Byrony House) as per the terms and conditions set out in the Discussion section of this report.

BACKGROUND

The Municipal Government Act (1989), Section III, Item 51(1) authorizes the sale or lease of an HRM-owned property for less than market value to a registered non-profit organization on the condition that the organization carries on an activity that regional Council considers to be "...beneficial to the municipality". In accordance with legislation and the HRM Transaction Policy (2002), Real Property directs such requests through the HRM Grants Committee. A less than market value lease must be approved by Regional Council but a public hearing is not required.

The Halifax Transition House Association has provided counselling and community outreach programs at the Bloomfield Centre since 2003. Presently, the lease is month-to-month pending the outcome of a review of the facility. The current rental is for 1,400 sq.ft at \$752.50/month including HST. A review of occupancy conducted by HRM staff in 2006 indicates that the service complements HRM Police Services: Victim Services response to domestic violence. The absence of such a service would probably impact HRM in terms of emergency and non-emergency calls and the incidence of police intervention.

DISCUSSION

In 1978, the Halifax Transition House Association opened Bryrony House, Nova Scotia's first emergency shelter for women and children leaving domestic abuse. The scope of operations has since expanded and led to off-site outreach programming at the Bloomfield Centre. This tenancy is intended to be short-term while the society seeks federal funding for a new complex in which operations can be consolidated. There is a degree of neighbourhood sensitivity in that a disproportionate number of clients are housed in the area, possibly so as to remain in contact with informal social networks and formal support services, even though more affordable accommodations are available in other neighbourhoods,

Summary of Key Terms and Conditions (proposed)	
Civic Address	2786 Agricola Street, Halifax
Zoning	Park & Institutional
Occupancy	1,400 sq.ft Room 110-119, located on the second floor of the Main Building, Bloomfield Centre, Halifax
Rental Rate*	\$8 per sq.ft (\$11,200 per annum \$933/month) plus HST and applicable property tax.
Duration of Lease	1 year with the option to renew
Conditions	No sub-leasing without the written consent of HRM. Storage located on the first floor to be discontinued (3 months notice)

* The estimated market rental rate for the property is \$16 per sq.ft, plus a proportional share of property tax.

Using the proposed rental rate of \$8 per sq.ft, excluding HST, HRM's rent subsidy would be \$11,200 per year (1,400 sq.ft x \$8 = \$11,200) and the estimated tax subsidy, at this time, would be \$2,800 (\$2 x 1,400 sq.ft) for a combined value of \$14,000.

BUDGET IMPLICATIONS

Property Matter: 2786 Agricola Street (Byrony House)
Committee Report

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May 7, 2007

The execution of this lease will increase revenue by \$3,279 per annum.. A proportional share of property tax has not been billed or collected. Staff advise against the creation of an assessment account for the Bloomfield Centre pending a determination of the site's future under Phase III of the Bloomfield Review Project.

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

1. The HRM Grants Committee could overturn the staff recommendation and direct staff to negotiate a market value lease with the Halifax Transition House Association.

This action is not recommended: The Association is pursuing federal government funding for the construction of a new, consolidated facility: if successful, it appears likely that the association's tenure at the Bloomfield Centre will not be long-term.

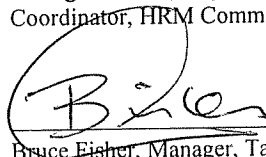
ATTACHMENTS

None.

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.

Report Prepared by: Peta-Jane Temple, Team Lead, Tax, Grants & Special Projects, HRM Finance; Diane Moulton, Manager Facility Operations, HRM Transportation & Public Works; Claudette Levy, Area Coordinator, HRM Community Development.

Report Approved by:



Bruce Fisher, Manager, Tax & Fiscal Policy, HRM Finance



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

HRM Grants Committee
May 7, 2007

TO: Chair and Members of the HRM Grants Committee

SUBMITTED BY: Cathie O'Toole
Cathie O'Toole, CGA A/Director of Finance

DATE: April 27, 2007

SUBJECT: **Property Matter: Less than Market Value Lease: Safe Harbour Metropolitan Church (Manna for Health Food Bank) - 2786 Agricola Street, Halifax**

ORIGIN

This report originates with staff of HRM Transportation & Public Works (Real Property), HRM Finance (Grants Program) and Community Development (Recreation) regarding implementation of the Bloomfield Centre Review Project: Tenancy Plan, March 20th, 2007.

RECOMMENDATION

It is recommended that:

HRM Grants Committee approve the staff recommendation to enter into a less than market value lease agreement with the Safe Harbour Metropolitan Church (Manna for Health Food Bank) as per the terms and conditions set out in the Discussion section of this report.

BACKGROUND

The Municipal Government Act (1989), Section III, Item 51(1) authorizes the sale or lease of an HRM-owned property for less than market value to a registered non-profit organization on the condition that the organization carries on an activity that Regional Council considers to be “....beneficial to the municipality”. In accordance with legislation and the HRM Transaction Policy (2002), Real Property directs such requests through the HRM Grants Committee. A less than market value lease must be approved by Regional Council but a public hearing is not required.

The Safe Harbour Metropolitan Church have been at Bloomfield on a short-term, month-to-month lease since 2004, and operate the Manna for Health Food Bank ministry under a separate lease agreement. The current lease is for ~50 sq.ft at \$43/month including HST. A review of tenancy conducted by HRM staff in 2006 concluded that there is no direct alignment between the program and HRM’s mandate. However, there is an indirect association with the municipality’s discretionary participation in efforts to reduce homelessness. Many clients of the food bank are recipients of social assistance and may be at risk of homelessness due to income, health status, and discrimination. Further, the group occupies a very modest amount of space and operates only one morning per week; as such their use of public space is efficient and has nominal impact on the facility’s operating cost.

DISCUSSION

The Manna for Health Food Bank is an outreach program of the Safe Harbour Metropolitan Church, a religious congregation primarily serving the gay community. The food bank began in response to the needs of persons living with HIV/AIDS who may be too ill to line-up at a conventional food bank and who may be subject to harassment based on perceived sexual orientation or health status. The service also differs from ‘conventional’ food banks in that home delivery is provided, food distribution is not restricted to once a month, and special dietary needs are accommodated with the provision of supplements, meat and fresh produce. The operation presently serves about 40-50 clients and is self-funded through donations, fundraising, and church offerings.

Summary of Key Terms and Conditions (proposed)	
Civic Address	2786 Agricola Street, Halifax
Zoning	Park & Institutional
Occupancy	50 sq.ft located on the first floor of the Main Building, Bloomfield Centre
Rental Rate*	\$5 x 50 sq.ft (\$250 per annum \$20.83/month) plus HST and applicable property tax.
Duration of Lease	1 year with the option to renew
Conditions	Adherence to public health regulations, source separation and composting of surplus food, and use of energy-efficient appliances. No sub-leasing without HRM’s written consent.

* The rental rate is \$5 per sq.ft plus HST and property tax. This discounted rate reflects the lack of a window, limited size, and poor air circulation any improvement of which would be at the tenant’s expense.

Property Matter: 2786 Agricola Street (Manna for Health Food Bank)
Committee Report

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May 7, 2007

The estimated market value for the property is \$16 per sq.ft including a proportional share of property tax. A reduced value of \$12 per sq.ft (\$10 rent and \$2 property tax) has been used for this specific rental space because of its leasing limitations.

Using the proposed base rent value of \$5 per sq. ft, excluding HST, HRM's rent subsidy would be \$250 per year (50 sq.ft x \$5 = \$250) and the estimated tax subsidy, at this time, would be \$100 (\$2 x 50 sq.ft) for a combined value of \$350.

BUDGET IMPLICATIONS

The execution of this lease will reduce revenue by \$203 per annum. A proportional share of Commercial property tax has not been billed or collected. Staff advise against the creation of an assessment account for Bloomfield Centre pending a determination of the site's future under Phase III of the Bloomfield Review Project.

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

1. The HRM Grants Committee could overturn or amend staff's recommendation and direct staff to negotiate a market value lease with Safe Harbour Metropolitan Community Church (Manna for Health Food Bank).

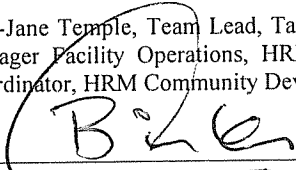
This action is not recommended: The food bank's annual budget is modest and self-generated by a small but committed group of local volunteers. Most service is delivered off-site through home delivery due to the health status of clients and as such is a unique program as compared with other food banks in the region.

ATTACHMENTS

None.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peta-Jane Temple, Team Lead, Tax Grants & Special Projects, HRM Finance; Diane Moulton, Manager Facility Operations, HRM Transportation & Public Works; Claudette Levy, Area Coordinator, HRM Community Development.

Report Approved by: 
Bruce Fisher, Manager Tax & Fiscal Policy, HRM Finance

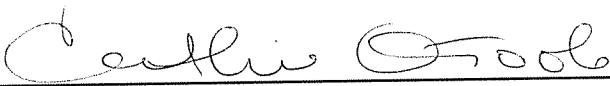


PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

HRM Grants Committee
May 7, 2007

TO: Chair and Members of the HRM Grants Committee

SUBMITTED BY:


Cathie O'Toole, CGA A/Director of Finance

DATE: April 27, 2007

SUBJECT: **Property Matter: Less than Market Value Lease: Safe Harbour
Metropolitan Community Church - 2786 Agricola Street, Halifax**

ORIGIN

This report originates with staff of HRM Transportation & Public Works (Real Property), HRM Finance (Grants Program) and Community Development (Recreation) regarding implementation of the Bloomfield Centre Review Project: Tenancy Plan, March 20th, 2007.

RECOMMENDATION

It is recommended that:

HRM Grants Committee approve the staff recommendation to enter into a less than market value lease agreement with the Safe Harbour Metropolitan Community Church as per the terms and conditions set out in the Discussion section of this report.

BACKGROUND

The Municipal Government Act (1989), Section III, Item 51(1) authorizes the sale or lease of an HRM-owned property for less than market value to a registered non-profit organization on the condition that the organization carries on an activity that Regional Council considers to be “....beneficial to the municipality”. In accordance with legislation and the HRM Transaction Policy (2002), Real Property directs such requests through the HRM Grants Committee. A less than market value lease must be approved by Regional Council but a public hearing is not required.

The Safe Harbour Metropolitan Community Church has been at Bloomfield on a short-term, month-to-month lease since 2004. The current lease is for ~732 sq.ft at \$215/month including HST. A review of Bloomfield tenancy conducted by HRM staff in 2006 concluded there is no direct service alignment with HRM’s mandate.

DISCUSSION

Safe Harbour Community Church is a member congregation of the Metropolitan Community Church whose membership is predominantly though not exclusively from the gay and lesbian community of interest. Presently, the congregation numbers approximately 30 predominantly from Peninsula Halifax. The church is self-supporting through congregational offerings, membership, and donations. The church’s ministry is expanding and they are actively seeking an alternate location that might provide additional space. HRM and the church have agreed to meet with HRM staff 3 months prior to the expiry of this new lease to update progress.

Summary of Key Terms and Conditions (proposed)	
Civic Address	2786 Agricola Street, Halifax
Zoning	Park & Institutional
Occupancy	732 sq.ft Room 108 located on the first floor of the Main Building, Bloomfield Centre, Halifax
Rental Rate	\$8 per sq.ft (\$5,856 per annum \$488/month) plus HST. Under the <u>NS Assessment Act</u> a place of worship is fully tax exempt.
Duration	1 year (no automatic option to renew).
Conditions	No sub-leasing without the written consent of HRM. HRM staff to confirm access beyond regular hours of operation.

The estimated market value rent for the property is \$16 per sq.ft plus a proportional share of property tax.

Using the proposed rental rate of \$8 per sq.ft, excluding HST, HRM’s rent subsidy would be \$5,856 per year (732 sq.ft x \$8 = \$5,856). There is no tax subsidy due to use of the space as a place of worship.

BUDGET IMPLICATIONS

The execution of this lease will increase revenue by \$3,593 per annum. As a place of worship the church is exempt property tax under the NS Assessment Act.

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

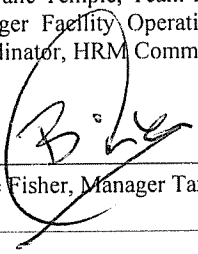
1. The HRM Grants Committee could overturn or amend staff's recommendation and direct staff to negotiate a market value lease with the Safe Harbour Metropolitan Community Church.

ATTACHMENTS

None.

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.

Report Prepared by: Peta-Jane Temple, Team Lead, Tax Grants & Special Projects, HRM Finance; Diane Moulton, Manager Facility Operations, HRM Transportation & Public Works; Claudette Levy, Area Coordinator, HRM Community Development.

Report Approved by: 
Bruce Fisher, Manager Tax & Discal Policy, HRM Finance



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HRM Grants Committee
May 7, 2007

TO: Chair and Members of the HRM Grants Committee

SUBMITTED BY: 
Cathie O'Toole, CGA A/Director of Finance

DATE: April 27, 2007

SUBJECT: **Property Matter: Less than Market Value Lease: Multicultural Council of Halifax-Dartmouth Metropolitan Area - 6955 Bayers Road, Halifax**

ORIGIN

This report originates with staff of HRM Transportation & Public Works (Real Property), HRM Finance (Grants Program) and Community Development (Recreation) regarding implementation of the Bloomfield Centre Review Project: Tenancy Plan, March 20th, 2007.

RECOMMENDATION

It is recommended that:

HRM Grants Committee approve the staff recommendation to enter into a less than market value lease agreement with the Multicultural Council of Halifax-Dartmouth Metropolitan Area as per the terms and conditions set out in the Discussion section of this report.

BACKGROUND

The Municipal Government Act (1989), Section III, Item 51(1) authorizes the sale or lease of an HRM-owned property for less than market value to a registered non-profit organization on the condition that the organization carries on an activity that Regional Council considers to be "...beneficial to the municipality". In accordance with legislation and the HRM Transaction Policy (2002), Real Property directs such requests through the HRM Grants Committee. A less than market value lease must be approved by Regional Council but a public hearing is not required.

The Multicultural Council of Halifax-Dartmouth has leased at the Bloomfield Centre since 1985. Presently, the lease is month-to-month pending the outcome of a review of the facility. The current lease is for ~400 sq.ft at \$161.25/month including HST. However, the group has shared the space through "verbal agreements" with several non-profit organizations serving ethnocultural groups and continues to maintain close ties with the annual Multicultural Festival organized by the Multicultural Association of Nova Scotia. A review of Bloomfield Centre tenancy conducted by staff in 2006 determined there is a potential link between the society's work and HRM's Immigration Strategy. Negotiations with respect to a continuation of public subsidy have been aligned with implementation of the strategy's goals, especially in the area of communications and access to municipal services for ethnocultural communities of interest.

DISCUSSION

The Multicultural Council of Halifax-Dartmouth is a registered non-profit society created in 1974 under an Act of the Nova Scotia Legislature to serve as an umbrella organization to help coordinate communications and activities for ethnocultural groups. The council's membership comprises organizations serving distinct racial or ethnic groups, or those whose services support immigrants and refugees. To date, funding has been self-generated through the annual Multicultural Festival and membership dues.

To reduce annual operating costs and eliminate debt, the Council has provided written notice on non-renewal at the Bloomfield Centre and will have a recurring room rental at the St. Andrew's Centre for 4 months (May 1 to August 31st). The proposed new lease agreement will reduce their annual base rent by ~\$847 and improve sustainability. The Council has agreed to a two-year payment plan for rent arrears that are a consequence of the loss of revenue from former sub-tenants. However, informal discussions have indicated an interest in collaborating with HRM in the development of written materials in the language of the council's member groups. Specifically, there is a need for information regarding municipal services and how to encourage voter participation in municipal elections, committees, and local initiatives. Such a role would be a distinct niche and does not duplicate the role of other levels of government in citizenship, accreditation equivalency, language education, housing etc.

Summary of Key Terms and Conditions (proposed)	
Civic Address	6955 Bayers Road, Halifax
Zoning	Park & Institutional
Occupancy	170 sq. ft Room 225 located on the second floor of the St. Andrew's Centre, Halifax
Rental Rate*	\$5 per annum \$850/year (\$70.83/month) plus HST and applicable property tax.

Property Matter: 6955 Bayers Road, Halifax (Multicultural Council)
Committee Report

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May 7, 2007

Duration of Lease	5 years. Lease commences on or before September 1st, 2007, subject to availability.
Conditions	Compliance with a signed payment plan agreement for rent arrears. Leasehold improvements shall be at the expense of the tenant. No sub-leasing without the written consent of HRM

* The rental rate is \$5 per sq.ft plus HST and property tax. This discounted rate reflects the lack of a window, limited size, and poor air circulation any improvement of which would be at the tenant's sole expense.

The estimated market value for the property is \$16 per sq.ft, plus a proportional share of property tax . A reduced value of \$10 per sq.ft has been used for this specific rental space because of its leasing limitations.

Using the proposed base rental value of \$5 per sq.ft, excluding HST, HRM's rent subsidy would be \$850 per year (170 sq.ft x \$5 sq.ft = \$850) and the estimated tax subsidy, at this time, would be \$340 (\$2 x 170 sq.ft) for a combined value of \$1,190.

BUDGET IMPLICATIONS

The execution of this lease will reduce revenue to HRM by \$847 per annum - a \$1,697 decrease at Bloomfield and a \$850 increase at St. Andrew's. A proportional share of Commercial property tax has not been billed or collected. Staff advise against the creation of an assessment account in 2007-2008 to allow for tenant notification and possibly a phased introduction of tax billing at the St. Andrew's Centre.

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

1. The HRM Grants Committee could overturn or amend staff's recommendation and direct staff to negotiate a market value lease with Halifax Dartmouth Multicultural Council.

This action is not recommended: Staff anticipate an opportunity to develop a partnership with the Council in the implementation of HRM's Immigration Strategy. Specifically, access to information about municipal services for persons whose first language is not English.

Property Matter: 6955 Bayers Road, Halifax (Multicultural Council)
Committee Report

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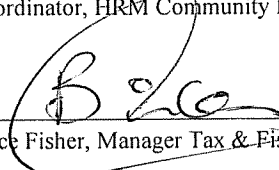
May 7, 2007

ATTACHMENTS

None.

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Report Prepared by: Peta-Jane Temple, Team Lead, Tax Grants & Special Projects, HRM Finance; Diane Moulton, Manager Facility Operations, HRM Transportation & Public Works; Claudette Levy, Area Coordinator, HRM Community Development.

Report Approved by: 
Bruce Fisher, Manager Tax & Fiscal Policy, HRM Finance