

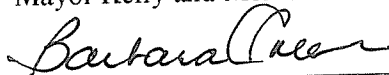


PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.3.3

Halifax Regional Council
March 3, 2009

TO: Mayor Kelly and Members of the Halifax Regional Council

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

DATE: February 26, 2009

SUBJECT: Property Matter: Less than Market Value Sale Lot 1115, 59 Dorey Avenue,
Dartmouth, PID #41222324 - Dartmouth Adult Services Centre Association

ORIGIN

Grants Committee meeting of February 16, 2009.

RECOMMENDATION

It is recommended that Regional Council:

1. Uphold staff's recommendation to decline the sale of Lot 1115, 59 Dorey Avenue, Dartmouth, for the sum of \$1;
2. Approve, in principle, a less than market value sale of Lot 1115, 59 Dorey Avenue, Dartmouth, to the Dartmouth Adult Service Centre Association for the sum of \$101,592.00 as per the terms and conditions set out in the Discussion section of this report and set a public hearing date.

BACKGROUND

See supplementary staff report dated February 16, 2009, Attachment 1 to this report.

DISCUSSION

The HRM Grants Committee amended staff's recommendation to increase the discount to 70%. If approved, HRM's in-kind contribution would increase from \$120,000 to \$237,049.

Summary of Key Terms and Conditions (Proposed)-	
Civic Address	Lot -1115-59 Dorey Avenue, Dartmouth
Site Address	1.97 acres (85,732 sq ft)
Zoning	I-2 (General Industrial)
Market Value	\$338,641 (\$3.95 sq. ft)
Proposed Sale Price	\$101,592.00 payable at in full at closing
Specific conditions	Title is to be held by the charity Dartmouth Adult Service Centre Association. Any application for tax exemption shall be made under By-Law T-200. Building is to be completed in three years from date of Closing.
Closing Date	As soon as possible
Cost of Sale Recovery	Deed registration fee and legal fees to be paid by the purchaser, deed transfer tax shall be waived (estimated value \$5,079.61).

BUDGET IMPLICATIONS

If the Committee's recommendation is approved, projected revenue to the Business Parks/Industrial Parks Reserve (Q121) will be reduced by \$237,049.00.

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

See supplementary staff report dated February 16, 2009, Attachment 1 to this report.

ATTACHMENTS

1. Supplementary Staff Report dated February 16, 2009
2. Staff Report dated December 16, 2008

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.

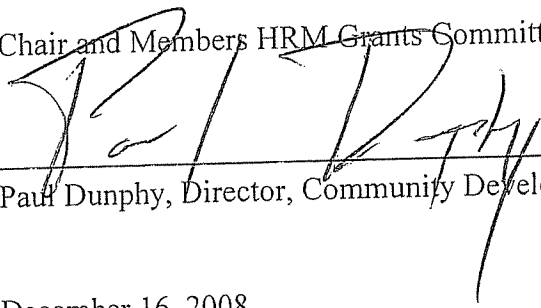
Report Prepared By: Barbara Coleman, Legislative Assistant.



PO Box 1749
Halifax, Nova Scotia
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HRM Grants Committee
February 16, 2009

TO: Chair and Members HRM Grants Committee

SUBMITTED BY: 
Paul Dunphy, Director, Community Development

DATE: December 16, 2008

SUBJECT: **Property Matter: Less than Market Value Sale Lot 1115 - 59 Dorey Avenue, Dartmouth (PID#41222324) - Dartmouth Adult Service Centre Association**

SUPPLEMENTARY REPORT

ORIGIN

Grants Committee meeting of December 15, 2008. The committee debated the recommendations contained in the staff report of December 15th and directed staff to develop one or two alternate scenarios to enhance the affordability of the land acquisition.

Grants Committee meeting of January 5, 2009. Further deliberations regarding alternate lease-to-purchase option and precedence. Staff to prepare a supplementary report and confirm any implications with respect to the proponent's ability to secure a mortgage.

RECOMMENDATION

It is recommended that:

1. The HRM Grants Committee uphold staff's recommendation to decline the sale of Lot 1115-59 Dorey Avenue, Dartmouth, valued at \$338,641 for the sum of \$1;
2. The HRM Grants Committee approve, in principle, a less than market value sale of Lot 1115-59 Dorey Avenue, Dartmouth, to the Dartmouth Adult Service Centre Association for the sum of \$218,641 as per the terms and conditions set out in the Discussion section of this report.

BACKGROUND

In the staff report of December 15th, 2008, staff recommended that a donation of land for \$1 be declined and that the land located at 59 Dorey Avenue be offered for a cost recovery sale price. The proposed price was based on the pro-rated HRM's cost to acquire and develop Dorey Avenue ie. \$3.39 per sq.ft. The Grants Committee asked staff to develop one or two alternate scenarios that included, for example:

- completion of the capital project within a specified timeframe in lieu of a discounted purchase price or favourable conditions;
- the suspension of *Community Grants Program* eligibility for a specified time;
- various tax exemption options;
- payment amortized over a specified period.

Such additional options were to be cognizant of any precedent-setting or policy implications. Or, to clearly identify why the request from DASC Industries differs from potential requests from other organizations.

DISCUSSION

Staff have reviewed several cases to address the Committee's concerns regarding (a) setting precedence that could increase demand, or (b) contradicting an earlier decision of Council for similar requests.

(a) Establishing A Precedent

As availability decreases and land costs increase in the urban core, HRM could face growing demand from non-profit organizations for donations or discounted property sales and property tax subsidies in business parks. How would DASC's request differ from other requests¹? In the opinion of staff, the key distinction could be:

- (1) long-term tenancy within the business park identified in the proponent's request; and
- (2) long-term tenancy shall constitute a period of at least 10 consecutive years in the location identified above in (1).

DASC has rented at 10 Akerley Boulevard for over 20 consecutive years. As noted in the staff report of December 15th, "...approximately 32% of DASC customers, representing approximately 60 % of revenues, are located in the Burnside area. Hence, the need to remain within the vicinity of Burnside or City of Lakes Industrial Park". In the opinion of staff, these circumstances differ from an

¹ In the case of other non-profit organizations in business parks, staff have not identified a comparable donation of land. Many owners purchased the land at market value from a private owner. In such cases, HRM's initial development costs were recovered fully through the initial market sale.

organization merely seeking vacant land at a discounted price. An occupancy requirement could be included in policy (re: less than market value sales in business parks to non-profit organizations).

(b) Previous Cases

There is limited precedence in terms of lease-to-purchase agreements. For the purpose of this report, three (3) cases have been reviewed: two lease to purchase agreements (Feed Nova Scotia and the Cunard Street Children’s Centre) and a less than market value land sale to a vocational agency (Lake City Employment Services). Each case varies by market value and conditions, tenure, purchase price and terms, government grants or the property’s ability to generate revenue. In the opinion of staff, the value of HRM’s discount (our “in kind” contribution) is better expressed as a percentage (%) of the market value rather than a dollar value.

A comparison of two previous lease to purchase agreements (Feed NS and Cunard Children’s Centre), shown as Table 1 in **Attachment 1** of this report, indicates that HRM’s discount as expressed as a percentage (%) of the purchase price is in the range of 35%. However, given the risk inherent in a lease to purchase (ie. limited recourse in the event of default) staff recommend a less than market value sale.

The only other less than market value sale to a vocational agency (Lake City Employment Services) was discounted to 68.5% of the market value. However, two of the lots were surplus remnant parcels with limited marketability that had been for sale for an extended period.

The DASC Industries request differs from all three previous cases in so far as the property has not been declared surplus and could be sold for market value.

Based on precedence, staff recommend an increase of \$71,838 in the value of HRM’s in-kind contribution over the December 15th proposed cost recovery sale price. If approved, HRM’s in-kind contribution would increase from \$48,162 to \$120,000 and represent a discount of 35% of market value. The buyer would pay \$218,641 in full as of the date of closing.

Summary of Key Terms and Conditions (Proposed)	
Civic Address	Lot 1115-59 Dorey Avenue, Dartmouth
Site Area	1.97 acres (~85,732 sq.ft)
Zoning	I-2 (General Industrial)
Market Value	\$338,641 (\$3.95 sq.ft)
Proposed Sale Price	\$218,641

Specific Conditions	Title is to be held by the charity Dartmouth Adult Service Centre Association. The property shall be taxed as Commercial and any application for tax exemption shall be made under By-law T-200.
Closing Date	As soon as possible
Cost of Sale Recovery*	Deed registration fee and legal fees to be paid by the purchaser. Deed transfer tax shall be waived (estimated value \$5,079.61)

Property Tax Exemption

HRM is in receipt of an application to the 2009-2010 *Tax Exemption for Non-Profit Organizations Program* (By-law T-200) for 100% exemption during the holding and construction period and partial exemption thereafter. Presently, the land is vacant and taxes estimated to be \$10,830 (2008 rates). However, this value will increase significantly with the construction of a \$1,500,000 facility. HRM's ability to provide full or partial tax exemption is subject to budget capacity.

BUDGET IMPLICATIONS

If the staff recommendation is approved, projected revenues to the Business Parks/Industrial Parks Reserve Q121 will be reduced by \$120,000.

The net proceeds from the sale shall be credited to the Business Park Reserve Q121. Applicable adjustments to the purchase price include, but are not limited to, appraisal, survey, environmental, deficiencies, legal, marketing and administrative costs. Environmental and/or deficiency allowances resulting from the purchaser's due diligence inspection, if required, shall be to a maximum of 15% of the purchase price. Condition periods herein may be reasonably amended at HRM's discretion to support overall project timing.

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.

If approved, the staff recommendation shall decrease the Q121 reserve contribution budget.

ALTERNATIVES

1. The HRM Grants Committee has expressed interest in a payment plan that would enable the buyer to amortize payments through a land lease.

This action is not recommended: A lease to purchase carries inherent risk in terms of recourse in the

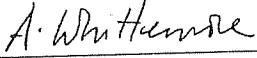
event of default. In practical terms, HRM would be an unsecured creditor given the unlikelihood of foreclosing on a non-profit agency serving disabled persons. However, if this option is selected by the committee staff recommend a payment term of 10 years, interest free. Title would be transferred once the debt is retired. A Buy-back Agreement shall apply. On the basis of debt to the municipality, the applicant would be ineligible for funding under the *HRM Community Grants Program*.

ATTACHMENTS

1. Comparison of Prior Lease to Purchase Agreements 1998-2008.

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 Grants & Contributions,
Community Relations & Cultural Affairs, Community Development 490-5469.

Report Approved by: 
Andrew Whittemore, Manager, Community Relations & Cultural Affairs,
Community Development, 490-1585

Attachment 1

Table 1. Comparison of Prior Lease to Purchase Agreements 1998-2008.						
Organization	Property Value	HRM Discount	Discount as % of Value	Amount Paid by Non-Profit	Non-Profit's % of Value	Notes
Lease to Purchase						
Feed NS	\$290,000	\$108,750	37.5%	\$72,500	25%	Provincial grant (\$108,750 plus interest) to match HRM's discount. No Buy-Back Agreement. Interest (6.75%). 15 year term.
Cunard Street Children's Centre	\$225,000	\$75,000	33%	\$150,000	66%	No provincial grant. Property has revenue stream through assigned leases. 10 year term. Buy-Back Agreement.
Less than Market Value Sale to Vocational Agency						
Lake City Employment Services	\$70,666	\$50,476	68.5%	\$23,190	32.8%	Low market value remnant lots. Payment in full at closing. No Buy Back Agreement.
Proposed Less than Market Value Sale						
DASC Industries	\$338,641	\$120,000	35%	\$218,641	65%	Provincial grant. Payment in full at closing. Buy Back Agreement.


The Lake City Employment Services discount of 68.5% is high when compared to previous lease to purchase agreements. However, two of the lots were remnant holdings with limited marketability. The buyer paid the balance of the purchase price in full and HRM avoided any risk in financing the purchase.



PO Box 1749
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HRM Grants Committee
December 15, 2008

TO: Chair and Members HRM Grants Committee

SUBMITTED BY:  (Andre MacNeil)
for Bruce Fisher, Manager Tax & Fiscal Policy, HRM Finance

DATE:

SUBJECT: **Property Matter: Less than Market Value Sale, Lot-1115, 59 Dorey Avenue, Dartmouth (PID#41222324) - Dartmouth Adult Service Centre Association**

ORIGIN

An unsolicited request has been received by HRM from Dartmouth Adult Service Centre Association for the donation of land valued at \$338,641 located at Lot 1115, 59 Dorey Avenue, Dartmouth. The society wants to construct a new facility to accommodate DASC Industries, a registered business that employs persons with intellectual disabilities.

RECOMMENDATION

It is recommended that:

1. The HRM Grants Committee uphold staff's recommendation to decline the sale of Lot 1115, 59 Dorey Avenue, Dartmouth valued at \$338,641 (\$3.95 per sq.ft) for the sum of \$1;
2. The HRM Grants Committee approve in principle a less than market value sale of Lot 1115, 59 Dorey Avenue to the Dartmouth Adult Service Centre Association for the sum of \$290,479 (\$3.39 per sq.ft), plus cost of sale expenses as detailed in the Discussion section of this report.

BACKGROUND

HRM received an unsolicited request for a long-term land lease at \$1/year or less than market value sale from Dartmouth Adult Service Centre Association (DASC) . See: **Attachment 1**. The society’s preference would be to purchase the land so as to secure financing to construct a new, one storey facility of ~25,000 sq.ft. The total cost of the project is estimated to be \$2,500,000. The society can secure a mortgage of \$1,000,000. In 2008, the association received an unrestricted bequest of \$300,000 leaving approximately \$1,200,000 to be raised. DASC are anxious to secure a site so as to be able to launch a capital campaign and open the new facility by the Spring of 2010.

Under Section 51 of the Municipal Government Act (1998) any sale of public property at less than market value exceeding \$10,000 must be approved by a two-thirds majority of Regional Council voting and in attendance at a public hearing. Public property cannot be sold at less than market value to a private or business entity. Therefore, title should be held by the Dartmouth Adult Service Centre Association. Section 109 of the Act gives municipalities the discretionary authority to exempt a non-profit organization from payment of deed transfer tax provided the property is not used for business.

EXECUTIVE SUMMARY

- Staff recommend the proponent’s request for a donation of land valued at \$338,641 be declined.
- A less than market value land lease is viewed as a limitation in securing financing from a lending institution. Therefore, staff recommend a less than market value sale, the value of which (\$290,479) reflects HRM’s hard costs in acquiring and developing the land.
- Staff recommend recognition of DASC Industries as linked to and subordinate to the charitable mission of Dartmouth Adult Service Centre Association.

Summary of Key Terms and Conditions (Proposed)	
Civic Address	Lot 1115, 59 Dorey Avenue, Dartmouth
Site Area	1.97 acres (~85,732 sq.ft)
Zoning	I-2 (General Industrial)
Market Value	\$338,641(\$3.95 per sq.ft)
Cost Recovery Value	\$290,479 (\$3.39 per sq.ft)*
Specific Conditions	Title is to be held by the charity i.e., Dartmouth Adult Service Centre Association. The property shall be taxed (Commercial) and any application for exemption shall be made under By-law T-200.
Closing Date	As soon as possible.
Cost of Sale Recovery	Deed registration fee and legal fees**. Deed transfer tax shall be waived (estimated value \$5,079.61).

* Value calculated using total development costs for Dorey Avenue of \$2,350,953 for 692,604 sq.ft.(\$3.39 sq.ft).

** Survey fees included in sale price and appraisal not required.

DISCUSSION

The request from DASC is an exceptional case insofar as the charity owns and operates a business. HRM business parks are intended for business development. However, recognizing the business as compatible with the sale of land in a business park raises questions as to eligibility re: a less than market value sale and any subsequent property tax exemption sought under By-law T-200. This report details why, in the opinion of staff, this enterprise is eligible for consideration and does not contravene legislation or municipal policy.

Dartmouth Adult Service Centre Association.

Dartmouth Adult Service Centre Association is a registered non-profit society and federal charity that originated as a branch of the Canadian Association for the Mentally Retarded: Nova Scotia Division¹. The Dartmouth branch of CAMR established a program called the Dartmouth Activity Centre that operated out of the South Woodside Annex School and provided crafts activities for clients. During the 1970's the association ventured into the sale of crafts produced by program participants, the manufacture and sale of promotional buttons, and sought contractual work. In 1975, the association changed its name to the Dartmouth Association for the Mentally Handicapped (DAMH) and consolidated business enterprises under the name of DASC Industries. In 1977, the business was registered as a partnership with the Nova Scotia Registry of Joint Stocks². In 1989, DAMH changed its name to the Dartmouth Adult Service Centre Association.

The purpose of the society is to provide vocational and day programs for adults with intellectual disabilities. The organization received a core operating subsidy from the former City of Dartmouth, Department of Social Services, which was assumed by the Nova Scotia Department of Community Services under the Municipal/Provincial Service Exchange Agreement of 1996. Current operations include The Button People (promotional buttons), Altar Bread Company (communion wafers), a mail fulfilment and packing service, and a contract with the Federal Archives for document shredding. The association also oversees community employment placements and provides leisure programs through the Active Lifestyles Club located at North Woodside Community Centre. Presently, there are 60 clients with a waiting list of 45. Approximately 32 percent of customers, representing ~60 percent of revenues, are located in the Burnside area. Hence, the need to remain within the vicinity of the Burnside or City of Lakes Industrial Park.

DASC Industries presently lease a 12,133 sq. ft. office and warehouse facility at 10 Akerley Boulevard in Burnside Industrial Park and as such pay full commercial taxes through their lease agreement. Total rental costs in 2008 were \$118,516. They are not a long-term tenant of HRM or an existing property owner.

Eligibility of a Business Entity for a Less than Market Value Sale and/or Tax Assistance

In reviewing eligibility, staff has used guidelines approved by the HRM Grants Committee with respect to businesses owned by a non-profit (November, 2008). The explicit aim of these guidelines is to discourage "fronting" a business entity by forming a non-profit for the purpose of obtaining public funds.

¹ In 1986, CAMR: Nova Scotia changed its name to the Nova Scotia Association for Community Living.

² Registration was revoked on request by the DAMH Board of Directors but was reinstated in 1992 by the Dartmouth Adult Service Centre Association.

The guidelines set out the circumstances a business owned by a non-profit, or a business-related operation, would be recognized as eligible for municipal assistance³. The key criteria offered by the guidelines is that any such business be "...linked to a charity's purpose and subordinate to that purpose". In effect, if the business closed the society would continue, but if the society closed, the business activity would either cease (because it is subordinate to the society) or would continue independently in which case it would not be recognized by HRM as eligible for funding.

There are two criteria to be met: (1) the business is subordinate to the society, and (2) the business activity is linked directly to the society's dominant charitable, altruistic purpose. Using the criteria set out in the guidelines, staff recommend that DASC Industries be recognized as subordinate and directly linked to Dartmouth Adult Service Centre Association's charitable purpose:

1. The business is considered subordinate if it remains subservient to a charitable purpose, as opposed to becoming a non-charitable purpose in its own right.
 - The charity (DASC) was a long-standing non-profit organization prior to establishing DASC Industries. A chronology of the relationship is set out in **Attachment 2** of this report.
 - DASC industries is subordinate to the mission of the Dartmouth Adult Service Centre Association in that its operations provide employment opportunities to adults with intellectual disabilities. The social purpose (vocational opportunities for disabled persons) remains central to the aims of the business.
 - Clients are paid a stipend and in most cases the value would not be considered comparable to a salary or wage. Employees who are paid a salary or wage are critical to the operation in terms of assisting clients, some of whom are severely disabled.
2. The business is considered linked in that the vocational employment opportunities it provides are central to the charity's altruistic mission.
 - What was initially an arts and crafts activity to engage clients in a social environment developed into "real work" so as to provide a vehicle to "... teach work appropriate habits and attitudes". Through such programs some clients are able to attain meaningful employment in the broader job market. This shift in purpose and type of activity also moved clients out of a insular, segregated setting and into the local community.

On the basis of the above, staff recommend that DASC Industries be accepted as a 'business' for the purpose of meeting the intent of municipal business parks. Notwithstanding recognition of the business, staff recommend the Dartmouth Adult Service Centre Association shall be recognized for the purpose of a less than market value land sale and any subsequent tax assistance.

Staff recommend that deed transfer tax at 1.5% of market value be waived. This concession recognizes DASC Industries as subordinate to and linked to the charity's altruistic purpose; it is not simply a fund-

³ Interpretation Bulletin #1 includes businesses owned and operated by a non-profit organization and business-related activities, for example profit-sharing agreements.

raising function. Title is to be conveyed to the charity for the purpose of programming. The value of this waiver is estimated to be \$5,079.61 (based on a market value of \$338,641).

Precedence: Sale of Public Land to a Vocational Agency

With the Municipal/Provincial Service Exchange Agreement (1996) programs for persons with a disability were transferred to the Nova Scotia Department of Community Services and as such vocational programs are not an alternate form of municipal service delivery. Nevertheless, such requests are reviewed on a case-by-case basis.

HRM records indicate that since 1997 there has been only one less than market value land sale to a "vocational agency": Lake City Employment Services on Windmill Road, Dartmouth⁴. Other non-profit organizations who operate in municipal business parks are either tenants or have acquired property through a private sale. See: **Attachment 3**.

The value of HRM's in-kind donation to Lake City Employment was \$50,476. However, this transaction differs significantly from the DASC request in that:

- two of the three lots were remnant parcels with limited marketability (the third lot was created by subdividing a portion of an abutting public park);
- the applicant was an abutting property owner;
- the existing workshop was essentially land-locked with HRM owning the abutting properties. Facility expansion and a new access route for deliveries depended upon HRM's cooperation;
- the land was not located in a business park;
- the land was vacant with no investment of public money in their development.

In summary, the proposed in-kind donation of \$48,162 plus waiver of deed transfer tax for DASC Industries is comparable to the precedence set by the municipality's in-kind donation to Lake City Employment Services.

BUDGET IMPLICATIONS

Using the market value of \$338,641 (\$3.95 per sq.ft), a sale price of \$290,479 would decrease HRM revenue by \$48,162. The waiver of deed transfer tax is estimated to cost an additional \$5,079.61 for a combined total in-kind donation of \$53,241. Proceeds from the sale shall be credited to the Business/Industrial Parks Reserve (Q121).

The estimated cost of commercial real property tax is ~\$12,500 for the land only. Construction will increase the assessed value. Dartmouth Adult Service Centre Association has made application for assistance under By-law T-200.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

⁴ Report to Council dated September 20th, 2001

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 staff's recommendation and direct staff to pursue a market value sale.
2. The Grants Committee could overturn staff's recommendation and amend the purchase price to \$1.

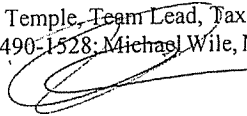
This action is not recommended: The provision of employment or social services is not within the municipality's mandate. Further, a land donation within a business park could set a precedence. This property is not a remnant land holding of limited marketability (as was the case for a partial donation to Lake City Employment Services Association), nor is it a legacy issue in terms of a long-term tenancy.

ATTACHMENTS

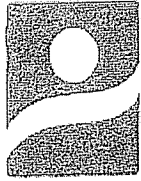
1. Letter to HRM from DASC dated March 10, 2008.
2. History - Formation of DSAC and DASC Industries.
3. Non-Profit Occupancy in Business Parks/HRM Assistance to Social Enterprise (Vocational Agencies).
4. Site Map.

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 490-5469; John MacPherson, Real Property, 490-1528; Michael Wile, Manager Business Parks, HRM Transportation & Public Works.

Report Approved by: 
Peter Stickings, Manager Real Property, HRM Transportation & Public Works

Attachment 1.



DASC

Association of
Dartmouth

10 Akerley Blvd
Suite 24
Dartmouth, Nova Scotia
Canada
B3B 1J4
902 468 6696

March 10, 2008

Petra-Jane Temple
Regional Coordinator of Grants
Grants Program – Department of Finance
P.O. Box 1749
Halifax NS
B3J 3A5

Dear Petra-Jane Temple

The Dartmouth Adult Service Center (DASC) was established in 1966, as a non-profit community based organization that provides vocational and day programs for adults with intellectual disabilities.

ABOUT DASC

DASC's mission, in association with its community, is to provide opportunities for adults with intellectual disabilities and support them in realizing their potential. We have continued to do this over the past 40 years by evolving from a small craft oriented centre to the multi-service agency and business enterprise that we are today.

At present, DASC proudly supports approximately 160 individuals in their endeavours. These individuals come from Halifax Regional Municipal - Municipal Districts 3 to 9 inclusive. We also have a waitlist of approximately 45 persons who are without service in the Dartmouth and surrounding area.

OUR SERVICE PRIORITIES

We provide a range of Services including PRE-VOCATIONAL (Life Skills and Social Skills) and VOCATIONAL programs that assist with skill development. An emphasis is also placed on pre-employment skills. Our job coaches assist those employees preparing for COMMUNITY EMPLOYMENT with skills related to resume writing, job search and interview skills. They also offer ongoing on-site employment support to ensure that the placement is successful and long-lasting. We currently have 40 employees participating in this program.

Additionally, we offer a recreation and leisure program at the Active Lifestyles Club which is located at the North Woodside Community Centre; a multi-sensory experience with the

Attachment 1.

internationally accepted Snoezelen; a work enclave at the Federal Archives where employees are responsible for shredding confidential and classified information for the federal government; as well as a School-to-Work Transition Program for students in local high schools.

In an effort to provide on-going challenging training opportunities for our employees, DASC is proud to offer the following products and services on site: Promotional Buttons (The Button People), Full Service Mail House, Communion Wafers (Altar Bread Company) along with Packaging and General Assembly.

To supplement our programs, we have a Client Services department that is designed to meet the individual needs of the employees. Client Services ensures high standards in the delivery of person-centered services and offers programs to employees and clients that assist them in skill development in such areas as: sign language, literacy, communication, coping, monetary, life skills, etc.

DASC is funded in three distinct ways, the provincial department of community services, our business centers and fundraising/donations. Our fiscal year is April 1st to March 31st.

LOCATION AND BUILDING PRIORITIES

DASC needs to expand and be responsive to the needs of our community. We have leased our facility in Burnside now for almost thirty years and as we begin our 40 years of service provision it is imperative that we have our own "home" and that it be in the Burnside or City of Lakes Industrial Park.

Our requirements are that we remain in the Burnside or City of Lakes Industrial Park, on an area of at least 1.5 acres of land, with access to public transit, and a green space would be advantageous. Also that the cost of such land reflect our Not for Profit/Charity status preferably at \$1 per year for a multi year lease, should we ever cease to function in our current capacity the land would revert back to HRM or a similar organization that operates for the purpose of supporting individuals with an intellectual disability.

32% of our customers are located in Burnside/Dartmouth and of our operating revenue 60% of our sales revenue comes from Burnside/Dartmouth. To leave this area would put us at a disadvantage with the largest percentage of our revenue source.

DASC has been contemplating this initiative for some time now and in preparation for it we have negotiated a leave option in our current lease should we acquire our own facility. Having the land is a vital first step in the process and once acquired then we can begin our Capital Campaign and engage the voluntary effort needed to move forward. Our existing committee has had preliminary discussions with architects and we are considering a one level facility of at least 25,000 square feet. The specific design is dependent on the lot of land and its nuances.



Please visit us at our website www.dasc-nis.ca to learn about us and please feel free to contact us at any time for further clarification. We would welcome a visit to DASC to experience our services first hand – at your convenience.

Thank you for your anticipated consideration of our request.

Cathy Deagle Gammon

Cathy Deagle Gammon
Executive Director
DASC

Attachments: Lease with Burnside Reality ✓
Year End Financial Statements 2006-2007 ✓
February 2008 Year to Date Financial Statement ✓

Attachment 2.

The following chronology was developed to establish the relationship between the Dartmouth Adult Service Centre Association (a charity) and DASC Industries (a business).

Canadian Association for the Mentally Retarded: Dartmouth Branch.

- Dartmouth Adult Service Centre originated as a branch of the Canadian Association for the Mentally Retarded: Nova Scotia Division⁵. The CAMR Dartmouth Branch established a program called the *Dartmouth Activity Centre* and operated out of the South Woodside Annex School. Programming for ~5 clients focused on craft activities.
- 1967. The *Dartmouth Activity Centre* program expanded to ~10 clients and re-located to a larger facility on Dundas Street, Dartmouth. At this stage in its development the organization solicited contract work, notably in woodworking and a fulfilment service. Re-location of the *Dartmouth Activity Centre* in 1970 to Jamieson Street and name changed to *Flower of Hope Centre*. Production of promotional buttons established in 1972.

Dartmouth Association for the Mentally Handicapped and DASC Industries Association

- 1975. CAMR Dartmouth Branch changed its name to the Dartmouth Association for the Mentally Handicapped. Business enterprises were grouped under the name *DASC Industries Association*.
- 1977. Opened Touch of Class retail outlet to sell craft projects (wood, pottery, ceramics). Changed name of retail enterprise to *DASC Industries Association* and shifted from craft-oriented products to procuring work contracts from local business. Registered *DASC Industries* as a business.
- 1979. Moved location to 10 Akerley Boulevard, Dartmouth, and expanded programming for adults with profound intellectual disabilities.
- 1980. Established new program within the Federal Archives, Thornhill Drive, Dartmouth, for adults with intellectual disabilities who demonstrated an inability to cope or difficulty with social relations.
- 1988. Established supportive worker program to assist in placing clients in community-based employment

Dartmouth Adult Service Centre Association

- 1989. Changed name to Dartmouth Adult Service Centre Association (DASC). Purchased Altar Bread Company in 1990.
- 1992. Relocated to 10 Akerley Boulevard and consolidated all programs in one location. Resumed business registration for *DASC Industries*.

⁵ CAMR. NS changed its name to the Nova Scotia Association for Community Living in 1968.

Non-Profit Occupancy in Business Parks/HRM Assistance to Vocational Agencies

The following is not an exhaustive list and is intended for illustration purposes only:

Dartmouth Work Activity Society, 15 Poseidon Court, Dartmouth

The Dartmouth Work Activity Society is a registered charity that provides adults (18-64) with academic upgrading and life skills to enhance employability in the market. Training is also provided in food services, woodworking, janitorial, and general office skills for entry-level placement. The organization receives core funding from Nova Scotia Department of Community Services. In 2007, the society purchased land from the Province of Nova Scotia in Woodside Industrial Park (~\$170,000) and built a facility at a total cost of \$685,000. The property is assessed as Commercial (\$5,848) and application has been made for tax assistance under By-law T-200. Application deferred to 2009-2010 pending program budget capacity.

Royal Canadian Legion, 61 Gloria McCluskey Drive, Dartmouth

The Royal Canadian Legion, Nova Scotia Nunavut Branch sold their property on Rainnie Drive, Halifax and purchased land in Burnside Industrial Park from a private owner. A Legion is tax exempt under the Assessment Act (1998).

Bide-A-While Animal Shelter Society, 67 Neptune Crescent, Dartmouth

The Bide-A-While Society is a registered charity that provides shelter for stray and abandoned cats and dogs. In 2007-08, the society acquired land in the Woodside Industrial Park from a private owner (\$79,086) to construct a new shelter at an estimated cost of \$650,000. The building is complete and occupied. The property is assessed as Commercial (\$15,397). The society is exempt under By-law T-200. In 2007-08, the *HRM Community Grants Program* awarded a one-time capital grant of \$15,000 towards the construction of the shelter and a grant of \$10,000 in 2008-09 towards exterior retaining walls and landscaping. Both grants were awarded under the Environment sector; the applicant's service aligns with HRM's mandate in animal control.

Nova Scotia Society for the Prevention of Cruelty to Animals: Halifax-Metro Branch, 5 Scarfe Court, Dartmouth

The NSPCA is a registered charity that investigates allegations of animal cruelty and provides emergency shelter for stray or abandoned cats and dogs through a network of local branches. The NSPCA own the property located in Burnside Industrial Park and lease to the local Halifax-Metro Branch for a nominal sum. The property is assessed at \$391,300 and taxed at the Commercial rate (\$13,402). The society is exempt under By-law T-200. In 2008-09 the society received a grant of \$10,000 towards equipment. The society's service aligns with HRM's mandate in animal control.

Canadian Red Cross Society, 133 Troop Avenue, Dartmouth

In 2008, the Canadian Red Cross purchased a property (6,679 sq. metres) assessed at \$2,541,100 in Burnside Industrial Park. The property is taxed at the Commercial rate (\$87,032) and application has

been made to By-law T-200 for assistance. Application deferred to 2009-2010 pending program budget capacity. Some of the society's services complement HRM's role in EMO and recreation (ie. water safety instruction).

Soccer Nova Scotia, 261 Commodore Drive, Dartmouth

The land is owned by HRM and has been developed for two artificial fields that are operated by Soccer Nova Scotia under a facility management agreement. The property has not been assessed for taxes.

Anchor Industries Society, 61 Glendale Avenue, Lower Sackville

Anchor Industries is a registered non-profit society that provides employment support for adults with an intellectual disability. The society receives core funding from the Nova Scotia Department of Community Services. The society have a long-term lease for a nominal sum with the Nova Scotia Department of Economic Development in the Sackville Industrial Park. The society are hoping to undertake an expansion at an estimated cost of \$1,500,000. The property is assessed as Commercial (\$18,497). The society is 75% exempt at the Residential rate under By-law T-200.

Lake City Employment Services Association, 386 Windmill Road, Dartmouth

Lake City Employment Services is a registered charity that provides employment support to mental health consumers. The association receives core operating funding from the Nova Scotia Department of Community Services. In September, 2001, HRM agreed to an unsolicited request to sell three (3) parcels of land abutting an existing Lake City Employment Services facility. This land is not located in an HRM business park.

Lot A2 and Lot A1	12,619 sq.ft @\$4.00 per sq.ft	\$50,476
Area C	7,730 sq.ft @\$3.00 sq.ft	<u>\$23,190</u>
Total		<u>\$73,666</u>

The staff recommendation to sell the three (3) lots at less than market value for a total of \$73,666 was amended by Regional Council to a donation of Lot A2 and Lot A1 and sale of the third lot. As such, HRM donated \$50,476 in land and received \$23,190 in revenue. Presently, the property is assessed as Commercial (\$52,946) is 75% exempt at the Residential rate under By-law T-200.

Summary

HRM has no control over the sale of property in business parks to non-profit groups by private owners but the indirect impact is two-fold: (a) a potential decrease in commercial property taxes if such non-profit apply for and receive assistance under *Tax Exemption to Non-Profit Organizations Program*, and (b) a potential increase in the cost of the program given the land values, urban tax rates, and commercial tax rates incurred by such properties. Presently, tenants leasing in the private sector pay commercial tax as part of their lease agreement.

