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Item No. 11.1.4

**Halifax Regional Council
June 23, 2009**

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in cursive script, appearing to read "Dan English".

Dan English, Chief Administrative Officer

A handwritten signature in cursive script, appearing to read "Wayne Anstey".

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: February 24, 2009

SUBJECT: **Property Matter: 5755 Sackville Street (Wanderer's Field House),
Halifax: Memorandum of Understanding - Halifax Wanderer's
Amateur Athletic Club.**

ORIGIN

Staff Report dated January 9, 2007 - Project CB300702, 5755 Sackville Street.

Staff report dated November 8, 2009, H0026 - Application to Consider 5755 Sackville Street, Halifax, as a Municipally Registered Heritage Property.

RECOMMENDATION

It is recommended that Regional Council :

1. Approve a Memorandum of Understanding with the Wanderer's Amateur Athletic Club (Attachment 1) respecting the renovation of 5755 Sackville Street, Halifax; and
2. Approve in principle the proposed cost-sharing arrangement as set out in the Budget Implications section of this report.

BACKGROUND

In 2006, the Halifax Rugby Football Club approached HRM with a request to partner in salvaging the building known as the Navy League Dry Canteen for use as a clubhouse in association with sports teams and events using the Wanderer's Grounds. In 2007, Regional Council approved staff's recommendation to re-direct the budgeted demolition funds (\$85,000) towards restoration, to pursue a Memorandum of Understanding with the Halifax Rugby Football Club, and to proceed with heritage registration. The building was registered as a municipal heritage property on March 25, 2008, by Regional Council.

The Halifax Commons was originally laid out in 1762 under the authority of John Belcher, Lieutenant Governor and Commander of His Majesty's Province of Nova Scotia.. Although the municipality has always owned the land it entered into agreements with the Wanderers Amateur Athletic Club (W.A.A.C) to use the land and erect buildings. The building presently located at 5755 Sackville Street known as the "Dry Canteen" resides on a portion of the Commons referred to as the South Commons. The structure was built in 1942 by the Navy League Canada on the foundation of the original "Victorian Clubhouse" (1896) built by the W.A.A.C. In 1952 , the club relinquished management of the Wanderers Grounds, including the Dry Canteen, and operations were assumed by the former City of Halifax.

The Dry Canteen Building has been surplus to municipal operations for an extended period and various community non-profit groups have leased all or a portion of the premises. Rental rates have not covered operating costs and chronic under-capitalization resulted in structural deterioration. Staff determined that the built structure was unsafe for occupancy: the seniors group was re-located to the St. Andrews Community Centre and the Halifax Rugby Football Club vacated with no alternate accommodations. The building was slated for demolition.

DISCUSSION

In 2009, the Halifax Rugby Football Club and Halifax Tars Rugby Club retained legal counsel and established a registered non-profit society for the purpose of a fundraising campaign and future facility management agreement. This society is registered as the Halifax Wanderer's Amateur Athletic Club (W.A.A.C); the party who shall be named in the MOU. See: **Attachment 1**. The MOU outlines the aim of the partnership respecting capital repairs and operations.

Proposed Restoration: Kassner/Goodspeed Architects Limited were retained by the Halifax Rugby Football Club, at the club's expense, to complete a Building Assessment and Restoration Feasibility Study (2008). The findings indicate that the structure can be salvaged. Plans for the restoration optimize the interior configuration of the premises, field access, and wheelchair accessibility. HRM anticipates that an energy retrofit could realize future savings in operating costs such as but not limited to conversion to natural gas¹ and water conservation methods.

¹ Infrastructure is already in place in the vicinity to serve HRM's greenhouses that abut the clubhouse.

Projected Costs: Preliminary estimates provided by the Architect to meet the rugby club's minimum requirements put the construction renovation costs in the range of \$400,000-\$480,000. This amount does not include HRM requirements, building stabilization, permit fees, unforeseen building condition contingencies or future consultant fees. Total Project Costs are estimated at this time to be \$600,000. Due to the nature of this Project, the renovation of a derelict building, it should be considered as high risk from an estimating point of view.

Wanderer's Amateur Athletic Association (WAAC): The Wanderer's Amateur Athletic Association formerly the Halifax Rugby Football Club and Halifax Tars have committed to contribute \$115,000 to the renovations of this building. HRM staff have been advised that currently WAAC has approximately \$60,000 in savings and donations and that the balance is to be raised through grants, donations, and fund-raising events. The club has started a capital campaign. HRM and the club will collaborate in accessing funding from provincial and/or federal funding programs.

In the Event of Default: In the event that the clubs fail to raise the required share of costs within the specified timelines agreed to by both parties, HRM can either proceed independently or seek an alternate partner through a Request For Proposals.

Proposed Facility Management Agreement: Upon completion of the capital project, it is anticipated that HRM will negotiate a Facility Management Agreement with the club for the on-going operation of the building. The Agreement will address specific provisions to accommodate HRM's operational requirements. HRM will also establish the club's organizational capacity and any annual operating subsidy, subject to budget capacity.

If a Facility Management Agreement is negotiated, the portion of the premises open to the general public and/or used by HRM for operational requirements would be tax exempt. Any portion of the premises used exclusively by the club, or sub-let to a third party, will be taxable. Application for tax assistance shall be made through By-law T-200 and subject to budget capacity.

Conclusion: Staff of Real Property Planning have been consulted and concur that the project is congruent with the intent of a future Wanderers Grounds Master Plan. Heritage staff have approved the initial draft plan submitted by the Halifax Rugby Football Club and will be consulted at key stages of the capital project for compliance with heritage protocols.

BUDGET IMPLICATIONS

Funding in the amount of \$85,000 has been approved in 05/06 Capital Budget - CB300702 of which \$2,047.94 has been expended. Funding in the amount of \$400,000 has been approved in the 09/10 Capital Budget - CBX 01168. Funding in the amount of \$115,000 has been committed by Wanderer's Amateur Athletic Association for the renovation of this building.

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. Regional Council could direct staff to assign the balance of \$85,000 in Account CB300702 towards HRM's share of the costs.

This action is not recommended: The retention of the structure was approved within the context of approval to pursue an MOU with the Halifax Rugby Football Club (January, 2007). HRM's ability to leverage provincial funding is significantly enhanced by the club's participation and the funds they have committed.

2. Regional Council could direct staff to pursue an alternate funding partner for the purpose of reducing HRM's capital costs.

This action is not recommended: The Halifax Rugby Football Club has made a formal commitment to partner with HRM in the rehabilitation of the building, to develop a business plan for the on-going operations of the premises, and to enter into a Facility Management Agreement once the property is operational. Hence, negotiating in good faith, there are no alternate scenarios proposed by staff at this time.

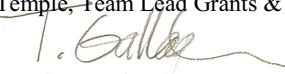
ATTACHMENTS

1. Draft Memorandum of Understanding, June, 2009

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 Development 490-5469

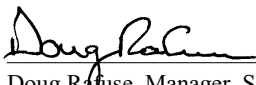
Report Approved by:



Terry Gallagher, A/Manager Facility Development, HRM Infrastructure & Asset Management



Andrew Whitemore, Manager, Community Relations & Cultural Affairs, 490-1585



Doug Rafuse, Manager, Service Delivery, Community Development, 490-6205

Report Approved by:



Sharon Bond, Acting Director of Community Development, 490-4800

Financial Approval by:



Catherine Sanderson, Senior Manager, Financial Services, 490-1562

Attachment 1

MEMORANDUM OF UNDERSTANDING

BETWEEN

Halifax Regional Municipality (“HRM”)

OF THE FIRST PART

-and-

Halifax Wanderer’s Amateur Athletic Association (“WAAC”)

OF THE SECOND PART

Whereas HRM is committed to strengthening partnerships that will allow it serve best serve the general public in the region and enhance opportunities for sport, leisure and recreational opportunities;

And Whereas WAAC is committed to the development of recreational and competitive sport, tournament hosting, and social inclusion;

And Whereas HRM wishes to preserve and protect the registered heritage property located at 5755 Sackville Street, Halifax, to enhance the public enjoyment of the Halifax Wanderer’s Grounds and its environs;

And Whereas both HRM and WAAC seek enhanced opportunities for tournament hosting, special events, cultural and social and opportunities in association with other organizations located within the region.

THEREFORE the parties hereto covenant and agree as follows:

1. HRM and WAAC each acknowledge the legal independence and authority of one another, and the obligations of each party to act in a manner consistent with its respective enabling legislation, constitution and by-laws, and obligations.
2. HRM and WAAC wish to secure and maintain a working relationship with respect to the rehabilitation and operation of the property located at 5755 Sackville Street, Halifax, for the purpose of providing amenities in association with the Wanderer’s Grounds and for the on-going sustainability of this site for sporting, recreational and leisure pursuits.
3. HRM and WAAC commit to cost-share in the capital remediation of the current building, to seek out and, if applicable, submit jointly for funding from other levels of government, to develop an on-going working relationship through a Facility Management Agreement, and to pursue future opportunities for the heritage interpretation of the building.

4. The WAAC commit to increase the \$85,000 redirected from demolition to a total of \$200,000. Such funds shall be confirmed, in full, prior to the commencement of capital work.
5. In the event of a Facility Management Agreement, any consideration of real property tax assistance shall be made under separate application to HRM By-law T-200 following an assessment of the property.
6. HRM and WAAC commit to open and effective communication on matters of mutual interest, including matters related to formal acknowledgements, media relations, events hosting, and public access to the premises as may be set out under the terms and conditions agreed to in a Facility Management Agreement, subject to the approval of the Council of Halifax Regional Municipality.
7. HRM and WAAC will work together on the following aspects of the project:
 - a. Capital costing and related fundraising for the remediation of the building commencing in 2009;
 - b. The development of a projected annual operating budget;
 - c. Energy efficiency and operating efficiencies that represent good environmental stewardship;
 - d. Heritage stewardship to protect and preserve a registered heritage building and its distinct social history in relation to the original Wanderers Amateur Athletic Club, military history, the Halifax Commons, and the sport of rugby football.
 - e. A Facility Management Agreement that shall convey responsibility to the Halifax Wanderer's Amateur Athletic Club, under contract to HRM, to operate the premises for the enjoyment of members of the sports and cultural community and the general public.
8. This MOU shall come into effect on the date of execution. Either party may terminate this agreement on written notice to the other party.
9. This MOU does not supercede or abrogate any pre-existing contractual or relational agreement between the two parties.
10. Each party shall bear its own costs and expenses unless otherwise mutually arranged and agreed to in writing.

HALIFAX REGIONAL MUNICIPALITY
AMATEUR

HALIFAX WANDERER'S

ATHLETIC CLUB