



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 11.2.1(i)**  
Halifax Regional Council  
October 20, 2009

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

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

**DATE:** October 6, 2009

**SUBJECT:** Less Than Market Value Sale, 9 Spring Street, Bedford

**ORIGIN**

Grants Committee meetings of September 14, 2009 and October 5, 2009.

**RECOMMENDATION**

It is recommended that Regional Council:

1. Enter into an Agreement of Purchase and Sale whereby the property located at 9 Spring Street, Bedford, be conveyed to the Hospice Society of Greater Halifax for the sum of \$1 and the \$5,000 offered by the society be redirected into the fabrication of an outdoor interpretation panel of a minimum value of \$5,000 to be completed within two years from the date of sale, and;
2. Schedule a public hearing.

## **BACKGROUND**

The Grants Committee discussed the matter at their September 14, 2009 and October 5, 2009 meetings.

Ms. Peta-Jane Temple, Team Lead, Tax, Grants and Special Projects, presented the motion of the Heritage Advisory Committee, from their August 26, 2009 meeting. The Heritage Advisory Committee's motion was that Regional Council reduce the sale price of 9 Spring Street, Bedford to increase the value of HRM's in-kind contribution and that the \$5,000 offered by the society be re-directed into the fabrication of an outdoor interpretation panel, of a minimum value of \$5,000, to be completed within two years from the date of the sale. The Grants Committee agreed with the Heritage Advisory Committees recommendation and have put forward the same request for Regional Council's consideration.

## **BUDGET IMPLICATIONS**

HRM would forego \$220,000 based on market value. Had there been proceeds from the sale of this property, it would have been credited to the Sale of Land Account (Q101).

Under HRM's ownership the property was not assessed for property taxes. A property sale will trigger a Commercial and/or Residential assessment and a tax account. The Owner may apply for assistance under By-Law T-200.

## **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. Council may choose not to approve the recommendation. This is not the recommended action.

## **ATTACHMENTS**

1. Supplementary Information Report dated September 21, 2009

2. Staff Report dated August 4, 2009.

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: Krista Tidgwell, Legislative Assistant (490-6519)

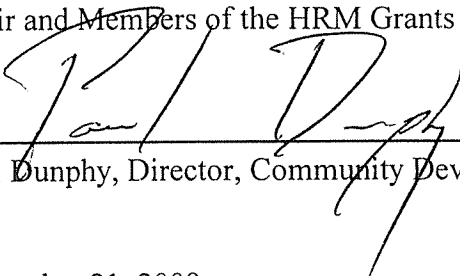


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**HRM Grants Committee**  
**October 5, 2009**

**TO:** Chair and Members of the HRM Grants Committee

**SUBMITTED BY:**

  
\_\_\_\_\_  
Paul Dunphy, Director, Community Development

**DATE:** September 21, 2009

**SUBJECT:** **Property Matter: Less than Market Value Sale, 9 Spring Street,  
Bedford - Hospice Society of Greater Halifax**

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### **SUPPLEMENTARY INFORMATION REPORT**

#### **ORIGIN**

- **August 26, 2009 - Heritage Advisory Committee** - A report on HRM registered heritage property located at 9 Spring Street, Bedford, known as The Teachery.
- **September 14, 2009 - HRM Grants Committee** request a Supplemental Report to clarify a number of questions regarding the sale of 9 Spring Street, Bedford.

## BACKGROUND/DISCUSSION

A HRM Grants Committee Report dated August 4, 2009 recommended the sale of an HRM registered heritage property located at 9 Spring Street, Bedford, known as The Teachery. The HRM Grants Committee requested further information pertaining to the property prior to making a recommendation to Regional Council. This Supplementary Report is specific to a number of questions/requests put forth by the HRM Grants Committee.

The following are the questions/requests put forth by the HRM Grants Committee, which are followed by Staff's response.

- *"Add qualifier in Purchase and Sale Agreement that the Purchaser would accept the presence of the tennis court and playground and public access to same."*

Staff, in coordination with Legal Services, will add a clause in the Agreement of Purchase and Sale that will protect HRM's interest in the property. Furthermore, if the access is at any point interfered with in the future, the Buy-Back Agreement would be triggered.

- *"Revise Attachment 1 to indicate the location of the playground and tennis court relative to the building and abutting property (school)"*

See revised Attachment 1

- *" Does the \$220,000 appraised price include the \$65,000 estimated cost to bring the building up to code, or would the actual price of building be \$285,000?"*

The \$220,000 appraised price is "as is" under the current zoning, and does not provide for any deficiencies in the property. An appraisal is formed through a "visual" inspection of the property, where capital costs (like electrical wiring) are not necessarily obvious nor is such information readily available. For these reasons, most appraisal reports state that capital costs should be deducted from the value. This is the case for the 9 Spring Street property.

- *"Could a variance be applied for and the land subdivided so as to sell the building without the tennis court/playground portion thereby eliminating the need for a public easement"*

Subdivision of the property may be considered via provisions of the land use by-law. However, a subdivision may only be considered upon council's approval of a land use variance to address a deficient rear yard setback. Specifically, a subdivision of the property would facilitate two lots, one with a frontage of 53 feet on Bedford Street, and 188 feet along Spring Street.

- *"Sell the building and lease the property"*

The building cannot be sold without the property. The only time a 'building' can be sold is when the purchaser moves it to another property.

- *"Add tennis court and playground area to school property"*

If the above noted variance is not successful, this option could be considered. However, taking the playground 'area' out of the property would mean that more 'area' would have to be gained along the Bedford Street frontage to retain the required 10,000 sq. ft. minimum lot area requirement. This would effect the frontage of the remaining lot housing the tennis courts.

### **BUDGET IMPLICATIONS**

Budget Implications would be as per the staff report dated August 4, 2009.

### **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 amend the staff recommendation and direct staff to pursue a market value sale.

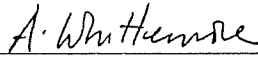
This action is not recommended: The Expression of Interest elicited only one response and the zoning restrictions severely restrict sub-division or development options.

### **ATTACHMENTS**

1. Revised Site Map: Survey Plan of 9 Spring Street, Bedford

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, HRM Community Development 490-5469;  
Carla Thistle, Real Estate Officer, HRM Transportation & Public Works; Maggie Holm, Heritage  
Planner, Community Development

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








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Attachment 2

**HRM Grants Committee - September 14, 2009**  
**Heritage Advisory Committee - August 26, 2009**

**TO:** Chair and Members of the HRM Grants Committee  
Chair and Members of the Heritage Advisory Committee

**SUBMITTED BY:**   
\_\_\_\_\_  
Paul Dunphy, Director, Community Development

**DATE:** August 4, 2009

**SUBJECT:** **Property Matter: Less than Market Value Sale, 9 Spring Street,  
Bedford - Hospice Society of Greater Halifax**

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**ORIGIN**

An Expression of Interest issued by HRM to solicit offers for the sale of an HRM registered heritage property located at 9 Spring Street, Bedford, known as The Teachery.

**RECOMMENDATION**

It is recommended that:

1. The HRM Grants Committee recommend that Regional Council enter into an Agreement of Purchase and Sale whereby the property located at 9 Spring Street, Bedford, be conveyed to the Hospice Society of Greater Halifax for the sum of \$5,000, plus all associated costs as per the terms and conditions set out in the Discussion section of this report.
2. The Heritage Advisory Committee recommend that Regional Council approve the sale of the registered heritage property located at 9 Spring Street, Bedford.
3. Regional Council set a date for a public hearing.

## **BACKGROUND**

The Municipal Government Act (1998), Section 51, allows the sale of municipal property at less than market value to a non-profit organization. The sale must be approved by a two-thirds majority of Council present and voting at a public hearing. Section 109 of the Act gives municipalities the discretionary authority to exempt a charity from payment of deed transfer tax (calculated as 1.5% of the sale price).

In July, 2009, HRM issued an Expression of Interest to solicit an offer to purchase the property located at 9 Spring Street, Bedford. As of the date of closing, Friday, July 31, 2009, the Expression of Interest received one proposal: the Hospice Society of Greater Halifax. The low response rate to the EOI is believed to be the result of HRM's proposed conditions of sale.

## **DISCUSSION**

### **1. Heritage Significance:**

The Pryor House was built in 1892 by the well known local builder George Canfield for Oswald and Isabella Pryor and is one of a few relatively unaltered Canfield houses remaining in Bedford. The building is a two-and-a-half storey wood framed Late Victorian Plain styled building (a regional term associated with late Victorian era buildings that lack decoration often associated with Victorian architecture). The building also has an asymmetrical, rear ell, a two-storey projecting three bay window on the front facade, a centrally located brick chimney, and exhibits a country style with a covered front porch. The residence was noted for its gardens.

The Pryor's owned the house until 1932 when it was deeded to Edward (Jack) Pryor who owned the property until 1942 when it was purchased by the Bedford Ratepayers Association. The association rented the property to local teachers. Hence, the property is known by it's popular name "The Teachery". In 1980, title was transferred to the former Town of Bedford and for the past 30 years has been leased to various community organizations, primarily for meeting space, with a residential unit on the second floor. In 2008, the property was deemed surplus to municipal operational requirements and notice provided to the residential tenant.

### **2. Property Zoning and Land Use By-law:**

It is HRM's desire to sell rather than lease the property due to (a) limited staff resources to oversee leasing, and (b) to leverage the society's ability to raise immediate and future capital funding. However, due to the placement of public recreation amenities (tennis court and playground<sup>1</sup>) on this site the land cannot be sub-divided; it would fail to meet the set-backs required by zoning. Therefore, staff have recommended the sale of the entire parcel but with a Public Access Easement to ensure public access to the tennis court and playground. The "gardens" per se would also remain open to

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<sup>1</sup> Ownership and operation of these amenities remains HRM's responsibility.

the public and only the building and a small parking pad would be 'private'. An expansion of on-site parking is not permitted under the proposed conditions of sale so as to retain the residential ambience of the streetscape. The property is zoned Institutional permitting a limited range of uses. In the opinion of staff the proponent's intended use conforms as (1) an accessory use to a special care facility during the Phase I of the project and (2) as a special care facility during Phase II at which time the building should function as a hospice (See: Item 3, Proponent's Intended Use below).

The property also abuts a public school and the Buy-Back Agreement requires that should the school close at some future date and transfer to HRM the municipality could invoke acquisition of the property to consolidate and develop for recreational purposes. This is a speculative, precautionary option. There is no indication of any school closure at this time or that this particular location would be a preferred site for expanded recreation amenities.

### **3. Proponent's Offer and Intended Use:**

The Hospice Society of Greater Halifax formed in 2001 with the goal of establishing non-denominational hospice facilities within the Capital Health District. A hospice is a place for terminally ill individuals in the later stages of life. Such facilities can also provide respite care for a patient's primary caregiver(s). The society works in cooperation with Capital Health: Palliative Care Services, VON Greater Halifax, and the Nova Scotia Palliative Care Association. The society wishes to establish a network of hospice facilities and are seeking HRM's support in securing an affordable property. The site could serve as an impetus for the development of residential facilities. The society will use any in-kind contribution from HRM to leverage government grants and private donations.

The society propose a two-phase approach to the use of the building. In the short-term the office will be relocated and outreach programming expanded. Programming includes bereavement support, peer support group for persons with a terminal diagnosis, patient advocacy, a day hospice program, and a palliative medicine outpatient consult clinic delivered by Capital Health Palliative Care Service. During this 1-2 year period the society will leverage additional funds to convert the premises into "...the first free-standing residential hospice in Nova Scotia" (Expression of Interest Submission, p.5).

Staff from Community Development and Real Property scored the proponent based on the criteria set out in the EOI. The averaged score was 72.5/100. In the opinion of staff the society have the requisite skills and experience to independently operate the facility and secure operating and capital funding.

#### 4. Precedence:

*Former Capital Pledges Program:* There is no precedence in terms of donating a property for health and/or medical-related services<sup>2</sup>. However, prior to amalgamation former municipalities awarded capital grants to some hospitals. Subsequent requests for additional funding were declined upon the basis that "...the direct provision of public medical facilities is the responsibility of the Nova Scotia Department of Health: Capital Health District Authority" (May 7, 2002). One of the capital grant pledges honoured by HRM was to the Canadian Cancer Society in the amount of \$180,000 for the construction of a short-stay residences for patients receiving treatment at the Victoria General Hospital.

*Less than Market Value Sale for Residential Purpose:* If the building provides overnight or short-stay residential respite care (ie. equivalent to a temporary 'home') comparable property donations have been made to local non-profit housing groups and shelters.

#### 5. Proposed Sale Price - \$5,000:

The society has made a conditional offer of \$5,000 plus cost of sale expenses with the understanding that the proposed Agreement of Purchase and Sale includes a Public Access Easement on the land and a Buy-Back Agreement. As a registered charity the applicant is eligible for a less than market value sale and waiver of deed transfer tax.

The property was appraised in July, 2009, by Colliers International Realty Advisors. The market value is \$220,000 "as is" excluding any required capital upgrades, re-zoning or sub-division. The land (excluding building) is worth ~\$100,000 if unencumbered.

- Staff recommend the purchase price discount the land value (\$100,000) to recognize restrictions imposed by a Public Access Easement.

An HRM building inspection (February, 2009) identified extensive repairs and code compliance costing ~\$65,000 that HRM would have to address in this fiscal year. The building is not accessible for persons with special needs and HRM would have had to address this issue in future municipal capital budgets. With only one washroom on the first floor, the occupancy load is limited to 10 persons on the main level and therefore not well suited for public assembly.

- Staff recommend the purchase price be discounted by \$65,000 to recognize the condition of the premises and an equivalent immediate saving to HRM's capital budget in 2009-2010.
- Staff recommend a further discount of \$50,000 to recognize the lack of accessibility for persons with special needs, and a Buy-Back Agreement. This particular Buy-back Agreement is an exception in that it not only provides HRM with the right of first refusal should the

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<sup>2</sup> Total of 66 property sales reviewed 1998-2008.

proponent elect to sell, but also allows for HRM to invoke acquisition for recreational purposes.

- **Staff recommend HRM accept the proponent’s offer of \$5,000.**

If Regional Council wishes to reduce the sale price to increase the value of HRM’s in-kind donation, staff suggest that the \$5,000 offered by the society be re-directed into the fabrication of an outdoor interpretation panel. Typically, these interpretation panels include text and illustrations explaining the historical significance of a building or site. Such an agreement would be precedence-setting and a cost-effective way to preserve neighbourhood history that is poorly represented by the conventional use of a heritage plaque only. The sale price would then be \$1 with an undertaking by the society to develop and install an interpretation panel at their cost.

<b>Summary of Key Terms and Conditions (Proposed)</b>	
<b>Civic Address</b>	9 Spring Street, Bedford
<b>Site Area</b>	Building: 1,168 sf first floor; 1,095 sf second floor Land: 14,400 sf
<b>Zoning</b>	SI - Institutional
<b>Market Value</b>	\$220,000 (\$100,000 land; \$120,000 building)
<b>Proposed Sale Price</b>	\$5,000
<b>Specific Conditions</b>	<ul style="list-style-type: none"> <li>• A Public Access Easement shall be required for the lands and public amenities located on site (tennis court, playground).</li> <li>• A Buy-Back Agreement shall provide HRM with (a) the right of first refusal should the society cease operations, change mandate or programming, or elect to sell the property at a later date, or (b) the right to invoke acquisition by the municipality in the event of a municipal operational requirement in association with HRM-owned property abutting the site.</li> <li>• The owner shall relinquish the right to de-register or demolish the premises.</li> <li>• The purpose of the property donation shall be for the development of a hospice and ancillary support services.</li> </ul>

<p><b>Specific Conditions Contd</b></p>	<ul style="list-style-type: none"> <li>• Any substantive alterations to the building configuration or exterior shall be approved in accordance with the <u>Heritage Property Program's Alteration Building Conservation Standards for Heritage Properties</u> including landscaping, and signage.</li> <li>• HRM shall waive deed transfer tax.</li> <li>• Application for assistance with property tax shall be made by separate application under By-law T -200.</li> </ul>
<p><b>Closing Date</b></p>	<p>Fall, 2009</p>
<p><b>Cost of Sale Recovery</b></p>	<p>The purchaser shall pay all costs associated with this sale including HRM's. Deed registration, appraisal, legal fees, survey etc.</p>

**BUDGET IMPLICATIONS**

Using the market value of \$220,000, a sale price of \$5,000 would decrease HRM's revenue by \$215,000. Proceeds from the sale shall be credited to the Sale of Land Account (Q101).

Under HRM's ownership the property was not assessed for real property tax. A property sale will trigger a Commercial and/or Residential assessment and a tax account. The owner may apply for assistance under By-law T-200.

**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 amend the staff recommendation and direct staff to pursue a market value sale.

This action is not recommended: The EOI elicited only one response and the zoning restrictions severely restrict sub-division or development options.

**ATTACHMENTS**

1. Site map and photographs: 9 Spring Street, Bedford.

**Property Matter: 9 Spring Street, Bedford  
Committee Report**

**HAC - August 26, 2009**

**- 7 - Grants Committee - September 14, 2009**

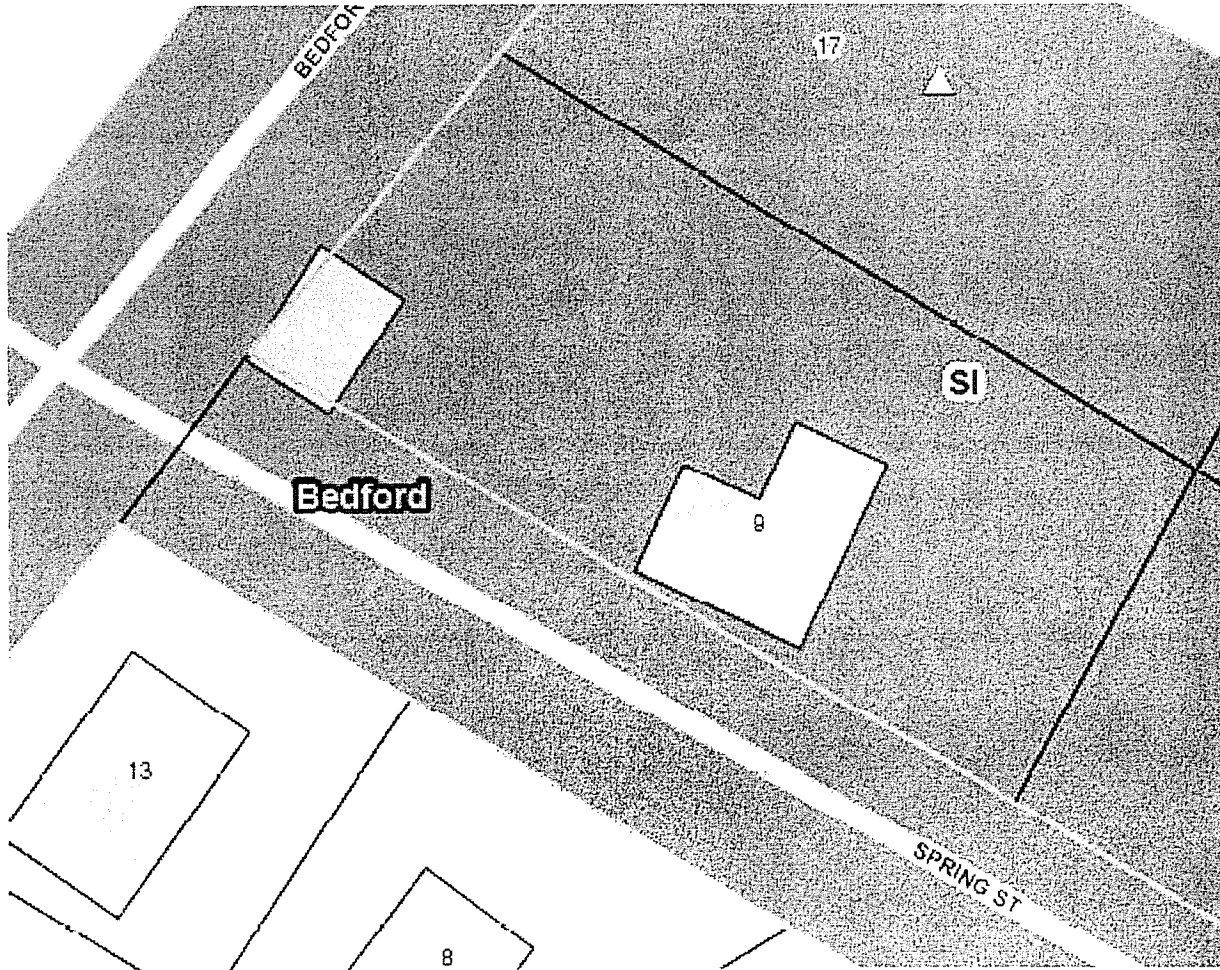
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Report Prepared by: Peta-Jane Temple, Team Lead Grants & Contributions, HRM Community Development 490-5469;  
Carla Thistle, Real Estate Officer, HRM Transportation & Public Works; Maggie Holm, Heritage  
Planner, Community Development

Report Approved by: *A. Whitemore*  
Andrew Whitemore, Manager, Community Relations & Cultural Affairs,  
Community Development, 490-1585

Report Approved by:   
Peter Stickings, Manager, Real Estate & Facility Services, Transportation & Public Works

ATTACHMENT "1"  
9 Spring Street, Bedford  
Site Map





9 Spring Street, Bedford  
Property Pictures

