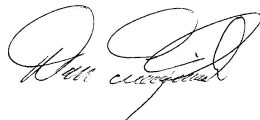


Item No. 11.1.2


**Halifax Regional Council
November 10, 2009**

TO: Mayor Kelly and Members of Halifax Regional Council



SUBMITTED BY:

Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: October 16, 2009

SUBJECT: **Community - Facility Lease Agreement - Sackville Heights Community & Cultural Centre**

ORIGIN

This report originates with Service Delivery Staff. Currently, this Tenant is operating without a Facility Lease Agreement (FLA). This report complies with the Real Estate and Facility Services Transaction Policy, as approved by Regional Council on October 8, 2002.

RECOMMENDATION

It is recommended that:

1. Regional Council authorizes the Mayor and the Municipal Clerk to enter into a Facility Lease Agreement with Sackville Heights Community & Cultural Centre.
2. The report not be released to the Public until the lease has been executed.

BACKGROUND

The former school, known as Sackville Heights Elementary School, was approved for redevelopment in June 2002 to consolidate the leased space within several HRM owned properties that were leased to non-profit groups in the Sackville area.

In July of 2003, the Director of Real Property and Asset Management authorized the Deputy Chief Administrative Officer to enter into Lease Agreements between the Municipality and the following tenants: Sackville Beaverbank Fifty Plus Club, Sackville Boys and Girls Club, Four Seasons, Silver and Gold Seniors Club, Sackville Bedford Early Intervention Group, Sackville Seniors Council and Sackville Rivers Association.

The Sackville Seniors Advisory Council submitted a proposal in 2005 to assist with the management of the Sackville Heights Community Centre. Halifax Regional Municipality agreed to enter into a two year agreement with an option to renew for an additional year with the Sackville Seniors Advisory Council.

In June 2008, the Sackville Heights Community & Cultural Centre Board became the managing board for this facility, which was categorized as a Neighbourhood & Community Facility in the HRM Indoor Facilities Master Plan (2004). Currently, this board participates in the Contributions Fund Program, but has been operating without an executed Management Agreement.

The Service Delivery Staff have been working with Legal, Risk Management, Finance, Facility Services, Solid Waste and several other business units to develop a new standardized Management Agreement Template to replace the old and outdated Management and Operating Agreement. The old Management Agreement has been renamed the Facility Lease Agreement (FLA). This revised and renamed agreement will allow HRM to have consistent agreements to be used when entering into any new or renewing any expired leases within the Category 1 Facilities. Each FLA will have a site specific component that will speak to any differences within this Category, such as well vs city water, septic, water testing, and LEED facilities, etc.

Key provisions of the proposed FLA with Sackville Heights Community & Cultural Centre Board include:

- the Sackville Heights Community & Cultural Centre Board is responsible for the management and operating costs for the facility at no management fees to HRM,
- the community board provides alternative Recreation and Service Delivery,
- several constrictions of usage in that the facility must meet the public use standards such that during at least 50% of the time it is operating, any member of the public may access the amenity at either no cost or a cost reasonable for the type of facility use or service availability.

The potential revenues of the Centre are significantly limited by the nature of the facility and the public usage constrictions contained in the FLA. It is hoped that the revenues of the Centre will cover the operation costs - any surplus projection being at best minimal. Taking this into account the

rent under the FLA consists of the tenant providing management services and assuming operating costs. Under these conditions it is the belief of staff that this reflects a market value rent for a facility of this nature subject to the usage constrictions.

DISCUSSION

The key terms and conditions are as follows:

<i>Property- Civic Address</i>	45 Connolly Road, Sackville
<i>Landlord</i>	Halifax Regional Municipality
<i>Tenant</i>	Sackville Heights Community & Cultural Centre
<i>Commencement Date</i>	June 1, 2009 - May 31, 2014
<i>Rent</i>	The Sackville Heights Community & Cultural Centre Board is providing management of facility operations and operating costs
<i>Term & Renewal Term</i>	5 years - reviewed annually by Service Delivery, 1 year renewal (conditional)
<i>Specific Conditions</i>	Their services must provide a direct contribution resulting in a positive impact to and for HRM citizens. "Public Use" applies to all organizations which obtain funds raised from tax dollars or would benefit from the use of public property owned by HRM. "Public Use" is to ensure public resources are utilized to the benefit of the general public. Priority access is provided to the general public prior to special interests and/or groups or private organizations. A facility meets the public use standards if during at least 50% of the time it is operating, any member of the public may access the amenity at either no cost or a cost reasonable for the type of facility use or service availability. The reasonableness of cost will be determined through comparable facilities, program user fees, demographics and facility location

BUDGET IMPLICATIONS

There are no budget implications.

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

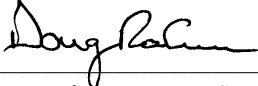
No alternative is recommended at this time.

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: Tara Legge, Community Facility Service Delivery Coordinator
Norma MacLean, Community Facility Service Delivery Coordinator
Andy Conrad, Community Facility Service Delivery Coordinator

Report Approved by: 
Doug Rafuse, Manager, Service Delivery ,490-6205


Paul Dunphy, Director of Community Development