



PO Box 1749
Halifax, Nova Scotia
B3J 3A5, Canada

Item No. 10.2.1
Halifax Regional Council
November 17, 2009

TO: Mayor Kelly and Members of Halifax Regional Council

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

DATE: November 3, 2009

SUBJECT: Community Leases: Centre for Diverse Visible Cultures, Bloomfield
Centre, 2786 Agricola Street, Halifax: Less than Market Value Lease

ORIGIN

HRM Grants Committee meeting of November 2, 2009.

RECOMMENDATION

It is recommended that Halifax Regional Council approve a change to the lease agreement and to continue to lease space to Centre for Diverse Visible Cultures at the Bloomfield Centre with a significant space reduction as detailed in the discussion section of the September 28, 2009 report.

BACKGROUND

The HRM Grants Committee discussed the matter, as outlined in the staff report dated September 28, 2009, at their November 2, 2009 meeting.

DISCUSSION

The HRM Grants Committee approved the recommendation provided in the September 28, 2009 staff report.

BUDGET IMPLICATIONS

As per the attached staff report dated September 28, 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

As per the attached staff report dated September 28, 2009.

ATTACHMENTS

1. Staff Report dated September 28, 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



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

HRM Grants Committee
November 2, 2009

TO: Chair and Members HRM Grants Committee

SUBMITTED BY: 
Paul Dunphy, Director, Community Development

DATE: September 28, 2009

SUBJECT: Community Leases: Bloomfield Centre, 2786 Agricola Street, Halifax:
Less than Market Value Lease

ORIGIN

Bloomfield Centre Review Project: Tenancy Plan Update October 23, 2007.

RECOMMENDATION

It is recommended that the HRM Grants Committee recommend that Regional Council approve a change to the lease agreement and to continue to lease space to Centre for Diverse Visible Cultures at the Bloomfield Centre with a significant space reduction as detailed in the discussion section of this report.

BACKGROUND

In March, 2007, Regional Council approved a plan to address current occupancy at the Bloomfield Centre pending the outcome of Phase III of the Bloomfield Review Project. The Bloomfield Tenancy Plan (2007) distinguishes between groups considered to be aligned with HRM's mandate, described as "...under HRM auspices", and those that are conditional. The future configuration and operating budget of the site will shape HRM's capacity to accommodate current or additional groups. In the interim, HRM has suspended further leasing pending the re-development of the site. In part, this approach is intended to minimize the annual operating deficit (ie. additional staffing costs) and to make available space should temporary re-location be required during capital upgrades.

DISCUSSION

Staff have recently been in negotiations with Centre for Diverse Visible Cultures to determine their future as a tenant at Bloomfield. Over the past year the tenant has struggled to pay their rent on time. Staff and the Centre for Diverse Visible Cultures have agreed that a solution to the rental arrears is to reduce their leased space in the building. The centre has requested a reduction in space from 898.25sf to 185.25sf. This will reduce their space by 713 sf.

The Centre for Diverse Visible Cultures has indicated that they only need the exclusive leased space for their program office and they will book rooms in the Bloomfield Centre on an as needed basis. This space reduction will reduce their monthly lease costs. The rent on this new space would be for 185.25sf @ \$8psf = \$1,482 per annum. With the recommended space reduction the Centre for Diverse Visible Cultures will be paying \$5,704 less per annum.

Based on recurring rent arrears with this group, a one-year lease is not recommended. Staff recommend (a) tenancy revert to a month-to-month lease, (b) reduce their leased space and (c) any arrears is deemed to be just and sufficient cause to terminate.

BUDGET IMPLICATIONS

If approved, the execution of this new lease will reduce their rental payment from the \$7,186 per annum to \$1,482. This will reduce C705-5102 by \$5,704 per annum. The site's on-going operating costs are assumed by HRM Transportation & Public Works pending a decision regarding re-development.

Due to the uncertainty of the site's future configuration the property has not been assessed for real property taxes. As such, all tenants have been 100% tax exempt during the course of their tenure.

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 recommend Regional Council overturn or amend the staff recommendation.

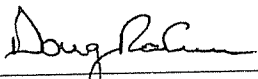
This action is not recommended: The tenancy and rental rates have been approved by Regional Council within the context of the Bloomfield Tenancy Plan to provide some stability during the Bloomfield Review Project.

ATTACHMENTS

Attachment A - Grants Committee Report dated April 22, 2009

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: Tara Legge, Community Facility Service Delivery Coordinator, Community Development;
Claudette Levy, Area Coordinator, Community Development

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

BACKGROUND

As per the attached staff report dated April 20, 2008, Attachment 1 to this report

BUDGET IMPLICATIONS

As per the staff report dated, April 20, 2008, Attachment 1 to this report

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

As outlined in the staff report dated April 20, 2008, Attachment 1 to this report:

ATTACHMENTS

1. Report dated April 20, 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.

Attachment 1

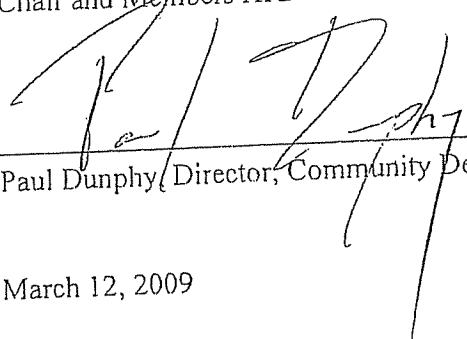


PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

HRM Grants Committee
April 20, 2009

TO: Chair and Members HRM Grants Committee

SUBMITTED BY:


Paul Dunphy, Director, Community Development

DATE:

March 12, 2009

SUBJECT:

Bloomfield Centre, 2786 Agricola Street, Halifax: Less than Market
Value Lease Renewals

ORIGIN

Bloomfield Centre Review Project: Tenancy Plan Update October 23, 2007.

RECOMMENDATION

It is recommended that :

The HRM Grants Committee approve renewal of the following six (6) leases for a term of one (1) year pending the re-development of the Bloomfield Centre site: Canadian Mental Health Association, Ecology Action Centre, Northern Lights Senior Citizens Club, Safe Harbour Metropolitan Church, Independent Living Resource Centre, and the Knights of Columbus.

BACKGROUND

In March, 2007, Regional Council approved a plan to address current occupancy at the Bloomfield Centre pending the outcome of Phase III of the Bloomfield Review Project. The Bloomfield Tenancy Plan (2007) distinguishes between groups considered to be aligned with HRM's mandate, described as "...under HRM auspices", and those that are conditional. The future configuration and operating budget of the site will shape HRM's capacity to accommodate current or additional groups. In the interim, HRM has suspended further leasing pending the re-development of the site. In part, this approach is intended to minimize the annual operating deficit (ie. additional staffing costs) and to make available space should temporary re-location be required during capital upgrades.

DISCUSSION

A. Occupancy Under HRM Auspices

Canadian Mental Health Association

The CMHA rent 2,159 sq.ft in the Main Building @\$8 sq.ft (\$17,272 per annum). HRM has consented to a sub-let of a portion of the second floor office to People First.

Ecology Action Centre

The Ecology Action Centre rent 1,200 sq.ft located in the basement of the Fielding Building for the *Bike Again Program*. As per the Grants Committee Report to Regional Council February 12, 2008, the base rent increases over a 5-year period to \$5 sq.ft in 2011-2012. Therefore, in 2009-2010 the rental rate will be \$2.75 per sq.ft (\$3,300 per annum).

Northern Lights Senior Citizens Club

The club lease 700 sq.ft @\$8 sq.ft (\$5,600 per annum). Presently, Community Recreation provide a departmental rent subsidy for the provision of seniors programming.

Safe Harbour Metropolitan Church

The church rents 50 sq.ft @\$5 sq.ft (\$250 per annum) for the operation of *Manna For Health Food Bank* for persons with chronic illnesses, many of whom are home-bound. This is not an HRM mandate in service delivery but was accepted as linked to a discretionary municipal interest in homelessness.

B. Conditional Tenancy

Independent Living Resource Centre

The Centre rents 2,232 sq.ft @\$8 sq.ft (\$17,856 per annum) in the Main Building.

Knights of Colombus

The Knights of Colombus rent 1,400 sq.ft @\$8 sq.ft (\$11,200 per annum) in the Main Building.

C. Under Review

Centre for Diverse Visible Cultures

The Centre rents 898.25 sq.ft @\$8: sq.ft (\$7,186 per annum) in the Main Building. Based on recurring rent arrears, a one-year lease is not recommended. In the alternative, staff recommend either (a) tenancy revert to a month-to-month lease or (b) non-renewal with just and sufficient cause to terminate. Negotiations with the tenant are in progress.

BUDGET IMPLICATIONS

If approved, the execution of renewing six (6) leases will realize \$55,478 in revenue per annum. If a one-year lease agreement with the centre for Diverse Visible Cultures is executed an additional \$7,186 would be generated in revenue for a revised total of \$62,664. The site's on-going operating costs are assumed by HRM Transportation & Public Works pending a decision regarding re-development.

Due to the uncertainty of the site's future configuration the property has not been assessed for real property taxes. As such, all tenants have been 100% tax exempt during the course of their tenure.

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 a staff recommendation.

This action is not recommended: The tenancy and rental rates have been approved by Regional Council within the context of the Bloomfield Tenancy Plan to provide some stability during the Bloomfield Review Project.

ATTACHMENTS

None.

**Bloomfield Centre
Committee Report**

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April 20, 2009

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 Grants & Contributions, Community Development; Claudette Levy,
Area Coordinator, Community Development

Report Approved by:


Andrew Whittlemore, Manager, Community Relations & Cultural Affairs, Community
Development, 490-1585