



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

Item No. 10.3.1
Halifax Regional Council
September 28, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original signed
Councillor Russell Walker, Chair, HRM Grants Committee

DATE: September 14, 2010

SUBJECT: **Property Matter; Bloomfield Centre, 2786 Agricola Street – Less than Market Value Lease Renewals**

ORIGIN

September 13, 2010 HRM Grants Committee meeting.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve the following six (6) leases for a term of one (1) year and subsequent yearly renewals, if necessary, for six (6) tenants, 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 Knights of Columbus, as per the key terms and conditions set out in Tables 1 - 6.
2. Direct staff to renew these six (6) less than market value leases annually, notwithstanding appeals, without formally providing a recommendation report to the Grants Committee and Regional Council, until a decision regarding the re-development of the Bloomfield Centre site is made.

BACKGROUND/DISCUSSION

During the HRM Grants Committee September 13, 2010 meeting, staff indicated that the lease amounts are the same as the 2009-2010 amounts, with the exception of the Ecology Action Centre (Bike Again Program). Staff further noted the following clarification and amendments to page 3 of the June 16, 2010 staff report:

Table 3 – Northern Lights Senior Citizens Club

The Monthly Payment of \$466.67 + HST for this proposal is divided between the Northern Lights Seniors Club and HRM Community Recreation. The Seniors Club pays \$87.50 plus HST per month and Community Recreation provide a subsidy of \$379.17 plus HST per month.

Table 4 - Safe Harbour Metropolitan Church (Manna for Health Food Bank)

The Annual Rent for this proposal should be **\$500 plus HST**, which changes the Monthly Payment to **\$41.67 plus HST per month**. As well, the Area and Location should be **100 square feet** not 50 square feet.

The Committee further agreed to amend the second recommendation to include “notwithstanding appeals”, as it will allow for any dispute (arrear, eviction, vacancy, etc.).

BUDGET IMPLICATIONS

If approved, the execution of renewing six (6) leases will realize \$57,084 in revenue per annum to cost centre C705-5102 which is an increase of \$250.00 from the \$56,834 previously reported.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

As per the attached June 16, 2010 staff report.

COMMUNITY ENGAGEMENT

As per the attached June 16, 2010 staff report.

ALTERNATIVES

As per the attached June 16, 2010 staff report.

ATTACHMENTS

A. June 16, 2010 Staff Report

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: Krista Tidgwell, Legislative Assistant, Municipal Clerks Office, 490-6519



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HRM Grants Committee
September 13, 2010

TO: Chair and Members of HRM Grants Committee

Original signed

SUBMITTED BY:

Paul Dunphy, Director, Community Development

DATE: June 16, 2010

SUBJECT: **Property Matter: Bloomfield Centre, 2786 Agricola Street -
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 recommend that Regional Council approve:

1. The following six (6) leases for a term of one (1) year and subsequent yearly renewals, if necessary, for these six tenants, 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 Knights of Columbus, as per the key terms and conditions set out in Tables 1 - 6.
2. Staff to renew these six (6) less than market value leases annually without formally providing a recommendation report to the Grants Committee and Regional Council, until a decision regarding re-development of this site is made.

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

The current tenants of Bloomfield would like to renew their leases as their leases expire in August. The terms and conditions for each of these tenants are listed in the tables 1-6. Tenants under HRM auspices are listed in tables 1-4 and the tenants listed in tables 5 & 6 are conditional tenancies.

Occupancy Under HRM Auspices (Tables 1-4)

Table 1

Tenant	Canadian Mental Health Association
Term	1 year, September 1, 2010 to August 31, 2011
Rental Rate	\$8.00 psf, Annual Rent \$17,272 + HST
Monthly Payment	\$1,439.33 + HST
Property Tax	Tenant is responsible for payment of their proportionate share of property tax if the property is assessed.
Area and Location	2,159 sf (Main Building)
Related Information	HRM has consented to a sub-let of a portion of the second floor office to People First.

Table 2

Tenant	Ecology Action Centre (Bike Again Program)
Term	1 year, September 1, 2010 to August 31, 2011
Rental Rate	\$3.88 psf, Annual Rent \$4,656 + HST

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 Community Council Report

Monthly Payment	\$388.00 + HST
Property Tax	Tenant is responsible for payment of their proportionate share of property tax if the property is assessed.
Area and Location	1,200 sf (basement of the Fielding Building)
Related Information	As per the Grants Committee Report to Regional Council February 12, 2008, the base rent increases over a 5- year period to \$5 psf in 2011-2012.

Table 3

Tenant	Northern Lights Senior Citizens Club
Term	1 year, September 1, 2010 to August 31, 2011
Rental Rate	\$8.00 psf, Annual Rent \$5,600 + HST
Monthly Payment	\$466.67 + HST
Property Tax	Tenant is responsible for payment of their proportionate share of property tax if the property is assessed.
Area and Location	700 sf, (Main Building)
Related Information	Community Recreation provide a departmental rent subsidy for the provisions of seniors programming.

Table 4

Tenant	Safe Harbour Metropolitan Church (Manna for Health Food Bank)
Term	1 year, September 1, 2010 to August 31, 2011
Rental Rate	\$5.00 psf, Annual Rent \$250 + HST
Monthly Payment	\$20.83 + HST
Property Tax	Tenant is responsible for payment of their proportionate share of property tax if the property is assessed.
Area and Location	50 sf, (Main Building)

Related Information	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.
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(Conditional Tenancies Tables 5-7)

Table 5

Tenant	Independent Living Resource Centre
Term	1 year, September 1, 2010 to August 31, 2011
Rental Rate	\$8.00 psf, Annual Rent \$17,856 + HST
Monthly Payment	\$1,488 + HST
Property Tax	Tenant is responsible for payment of their proportionate share of property tax if the property is assessed.
Area and Location	2,232 sf, (Main Building)

Table 6

Tenant	Knights of Columbus, Council 1097
Term	1 year, September 1, 2010 to August 31, 2011
Rental Rate	\$8.00 psf, Annual Rent \$11,200 + HST
Monthly Payment	\$933.33 + HST
Property Tax	Tenant is responsible for payment of their proportionate share of property tax if the property is assessed
Area and Location	1,400 sf, (Main Building)

BUDGET IMPLICATIONS

If approved, the execution of renewing six (6) leases will realize \$56,834 in revenue per annum to cost centre C705-5102. 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. If the property is assessed and taxes become due the Tenants will be required to pay their proportionate share of the property taxes.

It is requested that Regional Council approve staff to be able to renew these six (6) less than market value leases annually without formally providing a recommendation report to the Grants Committee and Regional Council, until a decision regarding re-development of this site is made.

These leases if renewed by staff will include an annual increase calculated by using the Municipal Price Index (MPI). If in any given year the MPI decreases then the rental rate will continue at the current rate.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

Community engagement is not deemed to be necessary in this process as this report is to renew the existing leases.

ALTERNATIVES

1. The HRM Grants Committee could recommend that Regional Council 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

Attachment 1 -News release (May 18, 2010) Bloomfield Master Plan Enters New Implementation Phase

**Property Matter: Bloomfield Centre, 2786 Agricola Street:
Less than Market Value Lease Renewals
Community Council Report**


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September 13, 2010

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> then choose the appropriate Community Council and 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, 490-8442

Original signed

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

Financial Approval by: Original signed 
 Cathie O'Toole, CGA, Director of Finance, 490-6308

Attachment # 1

NEWS RELEASE

Bloomfield Master Plan Enters New Implementation Phase

(Tuesday, May 18, 2010) - In June, the former Bloomfield School site will take its next step toward its exciting redevelopment when HRM looks for consulting services that will help define how community needs, cultural needs and development interests can be met.

On September 8, 2009 Regional Council adopted the Bloomfield Master Plan for the redevelopment of the site. The Plan establishes broad concepts for the site's development including urban design, and a combination of economically feasible uses that are supported by the community.

The Master Plan outlines the potential for community partners from the arts and culture sector for the development and operation of community facilities. The Plan also envisions opportunities for partnerships with real estate developers and nonprofit organizations for the redevelopment of the property.

Next month, HRM plans to issue a Request for Proposals for consulting services to research management models for the Bloomfield property and to develop a framework for soliciting, evaluating and selecting development, along with nonprofit and community partners for the Bloomfield project.

The consultants will produce a Request for Expression of Interest process aimed at better understanding arts and culture space needs and priorities, and determining how developers and the arts and culture sector can best work together toward a successfully re-imagined Bloomfield. An accompanying Request for Proposals process will be developed to schedule and coordinate the implementation of the Master Plan and take the proposed development of the site from concept to reality.

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Contact:

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<http://www.halifax.ca/mediaroom/pressrelease/pr2010/100518BloomfieldCentreNextPhase.html>