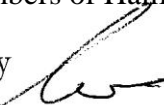


**Item No. 10.1.1**  
**Halifax Regional Council**  
**November 9, 2010**

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

**SUBMITTED BY:** Original Signed by   
\_\_\_\_\_  
Wayne Anstey, Acting Chief Administrative Officer

Original Signed by   
\_\_\_\_\_  
Mike Labrecque, Deputy Chief Administrative Officer

**DATE:** October 18, 2010

**SUBJECT:** Award - Tender No. 10-155, Former Halifax County Rehabilitation  
Centre Demolition

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**ORIGIN**

The Approved 2008/09 Project Budget.

**RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Approve an increase to Project No. CBX01099, Former Rehab Centre Demolition, in the amount of \$250,000, with funding as a withdrawal from Q101 Sale of Land Reserve; and
2. Award Tender No. 10-155 to J.W. Lindsay Enterprises Limited, for a Total Tender Price of \$2,087,845.30 (net HST included) with funding from Project No. CBX01099 - Former Rehab Centre Demolition, as outlined in the Budget Implications section of this report.

## **BACKGROUND**

The Halifax County Regional Rehabilitation Centre was operated as a municipal and a provincial facility from 1941 to 2002. The fifty acre property in Cole Harbour is owned by HRM with an assessed value of the property at \$1,459,900.00.

For four years since 2002, the property has been leased to the Trailer Park Boys as a film set. During the lease period, security was provided by the film company. Currently, HRM is providing 24/7 security at a cost of approximately \$125,000 per year. The site has been vandalized and is a liability for HRM.

The proposed demolition of the facility will result in an opportunity for HRM and the Cole Harbour community to consider future land uses on the site through the development of a master plan. Preliminary analysis indicated that because the lands are outside the service boundary that the real estate return for the sale of the lands would be far below the cost of demolition of the building. The master planning process will consider as one of its options retaining the property as a strategic holding for future sales once the lands are municipally serviced, thereby returning a much higher value. Until that time, the maintenance requirements of the property without the rehab building are anticipated to be minimal. Currently, there are other factors that are considered as part of the master plan that involve retention of portions of the property as part of a secondary open space plan for the Cole Harbour and Dartmouth areas as well as negotiations for a power transmission corridor to service Eastern Passage and the Eastern Shore. Public consultation on that plan is anticipated to commence early in 2011.

## **DISCUSSION**

Tender No. 10-155 was advertised on HRM's Procurement Website and closed on September 23, 2010. Four (4) submissions were received from the following companies:

<b>Name of Company</b>	<b>Bid Price (net HST included)</b>
J.W. Lindsay Enterprises Limited	\$2,087,845.30 *
Dexter Construction Company Limited	\$2,179,332.54
A&L Concrete	\$2,200,981.73
Verhagen Demolition Limited	\$2,267,082.38

\*recommended bidder

## **BUDGET IMPLICATIONS**

Based on the lowest tender price of \$2,087,845.30 (net HST included), funding is available in Project No. CBX01099 – Former Rehab Centre Demolition. The budget availability has been confirmed by Financial Services.

**Budget Summary: Project No. CBX01099- Former Rehab Centre Demolition**

Cumulative Unspent Budget	\$ 1,962,818.91
Add: Budget Increase	\$ 250,000.00
Less: Tender No. 10-155	<u>\$(2,087,845.30)*</u>
Balance	\$ 124,973.61

**Budget Summary: Q101- Sale of Land Reserve:**

Projected Balance Available (Sept 2010)	\$ 2,150,844.00
Less: Reserve Withdrawal for CBX01099	<u>\$( 250,000.00)</u>
Projected Balance	\$ 1,900,844.00

\* This project was estimated in the Approved 2008/09 Project Budget at \$ 2.0 M.

The balance of funds will be used as a contingency fund.

**FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved operating budget, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation. If approved, this report will increase the gross project budget but not the net, and will increase withdrawals from Reserves.

**ALTERNATIVES**

1. Council could choose not to award this tender, however, this would delay the redevelopment of this land. This course of action is not recommended.
2. Council could choose to sell the property as is, but it is expected that the selling price would be greatly reduced based on the cost of demolition (current building has no value) to any possible venders. This is not recommended.
3. Council could choose to retain the property and incur the yearly cost of security (approximately \$125,000 per year) and all liabilities associated with a vacant building. This is also not recommended.

**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.

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Report Approved by: \_\_\_\_\_  
Terry Gallagher, Manager, Facility Development IAM (476-4067)

Procurement Review: \_\_\_\_\_  
Anne Feist, Operations Manager, Procurement (490-4200)

Finance Review: \_\_\_\_\_  
Cathie O'Toole, Director, Finance (490-6308)

Report Approved by: \_\_\_\_\_  
Philip Townsend, Director, Infrastructure and Asset Management (490-7166)

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Original Signed