


Item No. 10.1.4
Halifax Regional Council
July 3, 2012

TO: Mayor Kelly and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: May 22, 2012

SUBJECT: Northcliffe Center Property

ORIGIN

This report originates with:

- Council's August 12, 2008, motion authorizing the planned closure of Northcliffe Centre such that the closure occurs concurrent with the opening of the new Canada Games Centre.
- Council's September 20, 2011, motion approving the postponement of the tender for the demolition of the Northcliffe Recreation Centre, in order for staff to review an unsolicited offer for the property.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Defer the demolition of the Northcliffe Center building, subject to the decision on the options and subsequent sale process;
2. Decline the unsolicited offer for the building as described in the Confidential Information Report dated May 22, 2012; and
3. Direct staff to proceed with the sale of the property as per the recommended approach and terms and conditions outlined herein.

BACKGROUND

The Northcliffe Recreation Centre closed in March 2011, following the opening of the Canada Games Center. The facility had become obsolete and reached the end of its functional and program life.

The site is in an Urban Service Area and is fully serviceable with water and sewer. The site has street frontage on Lacewood Drive, Dunbrack Street, Clayton Park Drive, and Hazelholme Drive with a total site area of 15.94 acres (approximately 694,346 square feet) in three parcels:

PID 00330670 – 6.84 acres (zoned R4)

PID 00330647 – 6.78 acres (zoned P)

PID 00330639 – 2.32 acres (zoned P)

Major improvements on the site consist of the following:

- The non-operational Northcliffe Centre complex consists of an approximately 12,000 square foot pool building (built 1981) over a 25 metre pool and deck and an approximately 12,000 square foot attached building (circa 1970s);
- Paved parking area; and
- An indoor tennis facility with four courts leased and operated by the Northcliffe Tennis Club for the past twenty years.

DISCUSSION

HRM, as part of the approved 2011/12 Budget, proceeded to develop and issue a tender document to solicit demolition contracts for removal of the former recreation building. However, this was postponed in September 2011, to allow review of an unsolicited purchase offer for the former building. The details of the unsolicited offer are provided in the Confidential Information Report dated May 22, 2012.

In keeping with the direction of Council with respect to the closure of the Northcliffe Center as a public facility, and the intended disposition of the property, staff developed a series of probable market options for the site. These options and values are summarized in Table 1 of the Confidential Information Report dated May 22, 2012. The options range from ongoing use of the existing tennis improvements and institutional building with an added R1 residential component to full residential build out scenarios.

In addition to interest expressed by institutional users for the purchaser of the existing building, the existing Tennis Facility operator, who has a long operating history on the site, is also interested in acquiring the tennis facility portion of the site.

The present operator's proposal includes a new bubbled six court facility (resurfacing of existing four courts plus two new) and a new club house. This proposed new infrastructure would continue to serve the current 300 members and 250 students. The proposal also provides for HRM recreational programming and free public access to the courts during the summer season.

Community Recreation Services, recreation program staff have identified the continued interest in the court infrastructure for the tennis community at large, as well as direct community programming uses by HRM. The continued use and operation partnership is supported. The decision with respect to the disposal and future ownership will have an impact on the Tennis community's broader facility strategy. Staff will be delivering a report on regional tennis in late summer.

Recommended Disposal Approach

Staff is recommending entering into direct market negotiations with the existing long term Lessee of the Tennis Facility and issuing a tender or proposal document for each of the remaining parcels as described below and generally shown in Attachment A to this report.

Property to be Sold (Parcels subject to survey) See Attachment A	Disposal Method	Properties Retained for Public Purposes	Market Value
1. Recreation building as is on 3.2 acre lot	Tender/Proposal Call	Halifax Water retention pond, and 7.1 acre community park/passive open space	See Confidential Information Report dated May 22, 2012
2. Tennis courts 1.4 acres	Direct Negotiations with long term tenant		
3. 22 Single residential lots	Tender/Proposal Call		

The above approach is supported by the following rationale:

- Achieves competitive market value for site and compatible land use mix (see confidential information report dated May 22, 2012);
- Demonstrated interest from private sector for institutional land opportunities;
- The Municipality has a long term history of direct negotiations with long term facility tenants when considering the divestment of recreational or community asset; and
- Pent up demand for well located high quality residential infill development lots.

BUDGET IMPLICATIONS

Subject to the future net proceeds from the sale of this property, the proceeds will be credited to the Sale of Land Reserve Account Q101.

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.

ENVIRONMENTAL IMPLICATIONS

Project meets all applicable Council approved Environmental Policy.

COMMUNITY ENGAGEMENT

Community consultations with respect to the recreational requirements for Halifax Mainland, are well documented as follows:

- 1992 Mainland Common Master Plan (Robert Parker and Associates)
- 1997 Study Condition of Northcliffe Community Centre
- 1998 Major Recreation Complex Report (Burke/Oliver Consultants Ltd.)
- 2003 Needs Assessment & Report (Nova Research)
- 2004 Indoor Recreation Facility Master Plan Report
- February 2005 Mainland Common Recreation Centre Business Plan (Hanscomb Consultants, Burke/Oliver Consultants)
- 2005 Public Consultation
- 2005 Community Survey Facility Options
- February 21, 2006, Council endorsed a 57,000 square foot multipurpose multidistrict facility on the Mainland Common
- August 7, 2008, Mainland Common Centre (Canada Games) Complex and recommendation to close Northcliffe once replaced by the Canada Games Center

Notice of the tender/sale would be supported by corporate website, site signage and social media.

ALTERNATIVES

1. Council could consider the unsolicited offer for the building at this time and direct staff to enter into negotiations with the institutional interest for a market transaction.
2. Council could defer a decision on the Tennis Court infrastructure pending the staff analysis of the Tennis Canada proposal for an indoor facility in HRM.

ATTACHMENTS

Attachment "A" Concept Plan Institutional, Tennis and Residential In fill Development

If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Financial Approval by: _____
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Report Approved by: _____
Brad Anguish, Director of Community & Recreation Services, 490-4933

Original Signed

NORTHCLIFFE DEVELOPMENT OPTION



- **Sell existing recreation building “as is”** on 3.2 as institutional site opportunity (Tender)
- **20-22 Single new residential lots** – (Tender)
- **Tennis Facility 1.4 acre lot** – enter into **Negotiations with long term tenant re: purchase**
- **Retention of 7.1 acre community public open space**