
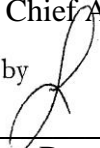


Item No. 11.1.10
Halifax Regional Council
January 28, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original signed by 

Richard Butts, Chief Administrative Officer
Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: November 30, 2013

SUBJECT: 90 Alderney Drive, Dartmouth

ORIGIN

November 10, 2009 Regional Council motion: Moved by Councillor McCluskey, seconded by Councillor Karsten, that Halifax Regional Council approve that Dartmouth Heritage Museum Society (DHMS) be given exclusive right to the use of the former Dartmouth City Hall building for the purpose of a permanent museum and creation of a Cultural Cluster.

LEGISLATIVE AUTHORITY

HRM Charter 63 (1) The Municipality may sell or lease property at a price less than market value to a non-profit organization that the Council considers to be carrying on an activity that is beneficial to the Municipality.

RECOMMENDATION

It is recommended that Halifax Regional Council:

- 1) Declare that 90 Alderney Drive is unsuitable for a museum, based on the CBCL structural assessment;
- 2) Refer 90 Alderney Drive for review in accordance with the process defined in Administrative Order 50;
- 3) Direct staff to complete the ongoing work on the inventory and restoration of HRM cultural artifacts; and

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- 4) Consider HRM's support and investment in community museums, regional museums, and collection of heritage artifacts as part of the Cultural and Heritage Priorities Plan and return to Council with recommendations for an HRM regional museum consistent with the direction outlined in the Plan.

BACKGROUND

The building located at 90 Alderney Drive was originally used for the former City of Dartmouth civic building. It was also used by the Halifax Regional School Board for office space prior to their relocation. Since that time, it has been used primarily for office space for HRM staff. The building also includes the original City of Dartmouth council chambers which are still used for standing committee and community council meetings.

On November 10, 2009 Regional Council passed a motion to give Dartmouth Heritage Museum Society (DHMS) exclusive right to 90 Alderney Drive in Dartmouth for the purpose of a permanent museum and creation of a cultural cluster. At that time, much of the building was still being used for municipal purposes so it could be interpreted that the motion intended that the transfer would be possible when the facility was no longer required by HRM for municipal purposes as an office location. It is no longer required for office usage for HRM staff and, as such, Council's motion can now be considered.

Since Council's direction, two other related initiatives have occurred. In December 2012, HRM's Auditor General released a report "*Care of HRM Cultural Artifacts/Artworks - including the Jordi Bonet Halifax Explosion Memorial Sculpture*". The report outlined several recommendations related to HRM artifacts. Staff is currently undertaking work to implement the recommendations outlined in that report. Secondly, work on the current Regional Plan review (RP+5) includes the provision to develop a Culture and Heritage Priorities Plan to provide direction on HRM's future role and responsibilities related to culture and heritage investment. The impact of these initiatives is outlined in the discussion section of this report.

DISCUSSION

History of Motion

The motion approved by Regional Council on November 10, 2009 was the culmination of other previous considerations regarding the future use of 90 Alderney Drive. These other considerations are relevant for Regional Council's current consideration of the future of 90 Alderney Drive and are summarized below:

- February 7, 2008 - Harbour East Community Council (HECC) approved a motion that recommended Regional Council give DHMS first option to use the facility for a museum when it became vacant and to provide permission to DHMS to conduct a feasibility study and due diligence on the building;
- February 26, 2008 - Regional Council approved the HECC motion, pending a staff report;
- February 10, 2009 – Staff report presented to Regional Council recommending that Regional Council "accept the findings of the Feasibility Study which indicated that it is not advisable

to reuse the former Dartmouth City Hall for the purpose of a museum....”;

- February 10, 2009 – Regional Council deferred consideration of the staff report, pending a further report from HECC
- October 1, 2009 – HECC approved a motion recommending to Regional Council “that the Dartmouth Heritage Museum be given exclusive right to the use of the former Dartmouth City Hall, the purpose of which is to have a permanent museum and create a “Cultural Cluster””
- November 10, 2009 – Committee of the Whole presentation regarding this topic including all relevant previous documentation and an information report regarding the financial implications of the HECC motion
- November 10, 2009 – Regional Council approved HECC motion as noted in the origin of this report.

As a result of the original motion, on August 12, 2008, Mr. Siegfried Rempel, Senior Advisor, Collections Preservation from the Canadian Conservation Institute conducted a site visit of the collections and properties managed by the Dartmouth Heritage Museum. This visit included 90 Alderney Drive in order to “explore a possible facility for future occupancy of the museum and its staff.” Generally, Mr. Rempel found that the property had advantages of location, flexible internal space due to many non-load bearing walls that could be removed and a passenger elevator. Those advantages are balanced against disadvantages of non-functional spaces, lack of freight elevator, lack of proper loading dock, limited future expansion opportunities and building envelope challenges. Mr. Rempel concluded that “the use of the former Dartmouth City Hall has a number of inherent limitations which might be accommodated if the Municipal Government provides alternative off-site services and facilities to off-set the specific collections needs...”. He further concluded that “Ideally a purpose-built facility should be considered for the museum but the adaptive re-use of the former Dartmouth City Hall may prove to be viable if a detailed facility assessment is completed and additional resources are put in place.”

DHMS indicated that the society did not share Mr. Rempel’s conclusion that the former Dartmouth City Hall was not feasible for use as a museum. As a result, DHMS requested that Mr. Robert Frame, a local museum expert from the Nova Scotia Museum system, provide comment and opinion. On January 9, 2009, Mr Frame indicated that “Mr Rempel has fairly described the advantages and disadvantages of adapting this building for museum purposes. The disadvantages are probably not insurmountable.” Mr Frame further posed the consideration of “whether sufficient support can be marshaled to prepare the museum space to the highest possible standards or whether an adequate and perhaps more affordable solution is more manageable.”

Subsequent to these assessments, Regional Council was presented with a staff report at the February 10, 2009 meeting which recommended that Regional Council accept the Facility Study finding which indicated it was not advisable to reuse the former Dartmouth City Hall (90 Alderney Drive) for the purpose of a museum. Regional Council deferred this item pending a further report from Harbour East Community Council. The HECC report, along with the other relevant information, was considered by Regional Council at a Committee of the Whole session on November 10, 2009. During that meeting, also included for Council’s consideration, was an information report which indicated “There is insufficient information to determine the capital

and operating budget implications of the Harbour East Community Council recommendations and it will require more analysis”. After significant discussion on the matter, including an indication that an additional staff report outlining financial implications was required, Regional Council passed the motion noted in the origin which directed that “Dartmouth Heritage Museum Society (DHMS) be given exclusive right to the use of the former Dartmouth City Hall building for the purpose of a permanent museum and creation of a Cultural Cluster.”

Regional Council’s November 2009 motion was not specific regarding the conditions under which potential transfer of the 90 Alderney Drive building to the Dartmouth Heritage Museum Society would occur. “Exclusive right to use” can be deemed to imply a potential below market lease arrangement. Under that scenario, Section 63(1) of the *HRM Charter* requires a majority vote of two-thirds of Regional Council in order to enter into a potential below market lease of municipal property. Further, in order for the building to be sold at below market value, a public hearing is required along with the two-thirds majority vote. Since the original motion did not include specific direction required for implementation, or the financial implications for Regional Council’s consideration, additional direction from Regional Council including two-thirds majority vote and potential public hearing would be required in order to implement the intent of the motion and meet HRM’s obligations under the *Charter*.

However since the 2009 motion, additional information has been collected which Regional Council has not had the benefit to consider. As a result of further assessment and current information, it is important that Council be given an opportunity to review the new information and previous direction. A summary of all relevant information is provided below.

90 Alderney Drive

The building at 90 Alderney Drive sits on 2.75 acres of land and has a gross floor plate of 38,000 square feet and a leasable area of approximately 26,000 square feet. The building is substantially vacant at this time with the exception of some storage and use of the former council chambers for standing committee and community council meetings. The 2012/13 annual operating costs for the building was \$87,000 as partially occupied. The estimated annual operating costs for a fully occupied and recapitalized building would be \$380,000.

The property is zoned Downtown Business Waterfront under the Dartmouth Plan. The purpose of the Downtown Business District Zone is to ensure that development complements the traditional small town character of the community. Broad ranges of business, institutional, cultural and residential uses are permitted. Based on its waterfront location and the current resurgence in downtown Dartmouth, the property’s highest and best use is for redevelopment.

In 2009, HRM undertook an accommodation plan which identified the Alderney Gate “campus of buildings” (Alderney Landing, Alderney Gate, 90 Alderney Drive (subject), Dartmouth Ferry Terminal Building, and development parcels to the north) as a suitable location to consolidate business units in HRM owned property. That plan estimated retention and recapitalization of 90 Alderney Drive for HRM offices was in the range of \$5 million. Subsequent to Council’s November 10, 2009 that assigned exclusive right of use of 90 Alderney Drive to DHMS, the corporate accommodation plan was amended to include the staff occupancy of the 3rd floor of the

Dartmouth Ferry Terminal in order to not require 90 Alderney Drive for office purposes.

Council Chambers

As noted, 90 Alderney Drive houses the former city of Dartmouth council chambers. Currently, the chamber is the only part of the building which is regularly used for standing committee and community council meetings. With HRM's ownership of Alderney Gate (40 Alderney Drive), work is currently underway to assess the building for improved customer service and HRM office and operational needs as well as a strategy to improve the retail and public amenities. The relocation of the council meeting space from 90 Alderney Drive to Alderney Gate is a proposed deliverable of this plan.

The proposed mix for the first floor of Alderney would bring together improved public access by clustering the customer service center and community council space with additional retail opportunities and the existing Library and Transit hub. The fit up of the Community Council space is expected to be an early deliverable and will be included in the 2014/15 project plan for Council's consideration. Upon relocation of the meeting space, there is likely no further municipal use for 90 Alderney Drive, subject to review in accordance with Administrative Order 50.

Facility Condition Assessment

In response to the November 10, 2009 motion, staff undertook a functional review of 90 Alderney Drive to be in a position to determine the feasibility of converting the building to a museum and cultural cluster. This involved developing a conceptual design, assessing the current condition of the building and determining the costs and major renovations required for conversion to a museum. The conceptual design incorporated DHMS's needs and suggested design features and supporting uses to enhance the museum.

CBCL Limited was retained to conduct this review and their final report was delivered to HRM in March of 2011. CBCL provided a comprehensive review of the current architectural, electrical, and mechanical status of the building. Based on the assessment completed, the age and design of the building presents significant challenges to the conversion to a museum. Since the original design was that of an office building, many of the systems are significantly different than those in a building designed for a museum. At 45 years old, many systems are past their design time frame and would require upgrades. While that work is not unexpected at the building's current age, there are other aspects of the building that would require significant changes to be able to meet the needs of a museum. These include:

- Upgrades and re-commissioning of boiler and heating equipment which has been replaced by the Alderney 5 Project. In order to be able to set proper heat and humidity levels for artifacts, improved and specific heating systems are required. While changes to the heating system can be made to better address the temperature requirements for a museum, the building is not able to be upgraded to address humidity controls which are important for a museum. The building was built with closed structural beams and limited space between the ceiling and the beams so there is insufficient space for the required HVAC components necessary to be able to fully control the humidity levels.

- Changes to the existing water piping system to concentrate it in corridors rather than its current configuration throughout all areas of the building. Typically, all water piping in museums is located in specific non- display areas in order to eliminate risk of damage from flooding. Currently, water piping in 90 Alderney Drive is not concentrated, so some reconfiguration would be required to reduce risk from flooding. While this would reduce the risk of water damage to artifacts in the event of a leakage, as a retrofit to an existing building, it would not be able to be fully eliminated in the same manner that purpose built museums are able to be constructed.
- Structural changes to allow for improved sightlines and open spaces typically required for museums. As an original office building, ceiling heights in the building are 8' in most areas. Therefore, for proper museum quality sightlines and views, changes to ceiling heights where possible would be ideal along with removal of walls to provide a better visitor experience.
- Due to structural beam configuration and mechanical system place, the ceiling height is only 7'2" in the loading and storage areas. Initial assessment has determined that changes to this configuration in order to increase the height may not be feasible. As a result, the size and type of artifacts which could be moved into the building may be limited.

The 2009 Accommodations Plan outlined that preliminary estimates required for retention as an office complex would require \$5 million (2009 dollars). Based on the 2011 assessment of the facility by CBCL, \$7.8 million is estimated to upgrade the building to a museum and \$8.8 million is estimated to upgrade the building to a cultural facility.

HRM Artifacts

HRM owns a cultural artifact collection along with many other heritage assets. Before 1996, the City of Dartmouth owned and operated the Dartmouth Heritage Museum located at 100 Wyse Road and two historic houses Evergreen House and Quaker House. All of these sites housed artifacts, primarily from the former City of Dartmouth. With the creation of HRM, these artifacts, along with those from the former City of Halifax, Town of Bedford and others, formed the basis of HRM's cultural artifact collection.

In 2002, the Wyse Road location was closed and the bulk of the collection moved to a storage facility in Burnside where it is presently located. In 2005, HRM entered into a collection management agreement with the Dartmouth Heritage Museum Society (DHMS) to manage this collection and operate the two historic houses on behalf of HRM. HRM is responsible for all costs associated with the housing of the collection along with a management fee paid to DHMS and costs associated with other artifacts currently housed in civic buildings across HRM. Currently, these costs are in excess of \$165,000 per year.

HRM's total collection is presently comprised of over 40,000 artifacts. Of that portion of the collection that is managed by DHMS, approximately 13,000 artifacts are stored at the Burnside location (Joseph Zatzman Building), approximately 600 artifacts are located at Evergreen House, and approximately 300 artifacts are at Quaker House. Approximately 15% of the artifacts at the Burnside location are archival materials.

In December 2012, HRM's Auditor General (AG) released a report "*Care of HRM Cultural Artifacts/Artworks - including the Jordi Bonet Halifax Explosion Memorial Sculpture*". The report outlined concerns related to the state and ongoing protection of HRM's artifacts and noted "The conditions under which the majority of the artifacts are stored is less than ideal and significant restorative measures must be undertaken prior to any future public display of the items."

As a result, work is currently underway related to a more detailed conservation assessment and inventory of HRM's cultural artifacts. This work will be undertaken in 2 phases. With the help of a consulting firm with expertise in conservation and collections management for museum artifacts, a comprehensive collections management system for HRM's Civic Collection will be created. Phase One will define the "collection" and its scope, develop a Municipal collections management plan, and deliver policy recommendations for an inventory and conservation assessment. Phase 2 will implement the recommendations regarding the collections inventory and conduct a conservation assessment of the defined collection identified in Phase 1.

The results of this project will provide critical information regarding quality and state of HRM's current collection and allow for a determination of the overall space that will be required for a new location for the storage and display of the collection. In addition to sufficiently sized space, the space should also be appropriate for housing artifacts. As noted, the facility condition assessment of 90 Alderney Drive cannot accommodate necessary HVAC changes that would allow for the level of humidity controls required for museums. As a result, it would not be able to meet baseline standards for artifact collection storage and display, and not meet the intention of the recommendations in the AG report.

DHMS staff has indicated that preliminary indications are that the entire 90 Alderney Drive building would be too large for the display of the collection and that portions of the building would need to be used for other purposes. Further, DHMS has acknowledged the building at 90 Alderney Drive is not ideal for a museum and there may be better options to house and display the collection. To date, DHMS has not been able to fully develop an overall strategic plan and business case to outline how the operation of the proposed museum along with the existing Evergreen and Quaker Houses would be funded and operated. DHMS has indicated that clear direction on their future use of 90 Alderney Drive is required such that a design report can be completed which will then allow the society to "clearly define its feasibility, business plans, cost analyses and financial breakdowns". Further, it would allow the society to be in a position to properly fundraise through a capital campaign using core funds endowed approximately 10 years ago. Recent reporting indicates that the funds along with recent surpluses, amount to approximately \$40,000 in a reserve and would be supplemented with corporate and government sponsorship support. DHMS's expectation is that "Overall utility and facility maintenance will continue to be provided through HRM..." so funding achieved through fundraising would directly be used to offset programming and museum operating expenses.

Regional Plan Review

Upon completion of HRM's Regional Plan in 2006, staff initiated work on the Social Heritage Strategy which was one of the functional plans outlined in the overall plan. One major

component of the strategy related to policy direction on HRM's role and responsibilities related to museums, both at a community and regional level.

There are twenty-seven (27) museums in HRM, four of which are operated by the federal government, four by the province and the rest (19) by non-profit community organizations. Four of the 19 community museums; Evergreen House and Quaker House (Dartmouth), McPhee House (Sheet Harbour) and Scott Manor House (Bedford) operate in HRM owned buildings and receive some funding from HRM for operational and capital expenditures. The Dartmouth Heritage Museum Society receives additional annual funding for the management of HRM's artifact collection. Most of the funding arrangements were in place prior to amalgamation and have continued since that time. Seven of the community museums, including the Dartmouth Heritage Museum, also receive funding from the Province's Community Museums Assistance Program (CMAP). The remaining community museums receive no government assistance and rely on community support and other funding sources. These differences have resulted in dramatic inequities amongst the museum community which serves HRM citizens.

With the initiation of the review of the Regional Plan (RP+5), work on the Social Heritage Strategy has been integrated with other cultural and heritage initiatives and proposed policy directions in order to ensure a comprehensive review of all related aspects. As a result, policy direction on HRM's future role and responsibilities with respect to museums will be completed as part of the Culture and Heritage Priorities Plan.

In addition to policy direction, a significant component of the Culture and Heritage Priorities Plan is a cultural infrastructure inventory. This will provide a complete account of all cultural facilities in HRM and identify any gaps or service overlaps. This information will allow Council to make an informed decision on a possible municipal museum in relation to the broader cultural landscape and partnership opportunities.

Further, while much of the current collection is from the former City of Dartmouth, the municipality also owns artifacts from other former municipal units and present day collection items related to HRM. Therefore, policy direction related to an overall HRM regional museum needs to be explored to reflect the culture and history of the region as a whole. Limiting direction and focus to a Dartmouth museum only would not provide a regional understanding of HRM's culture and heritage for all residents. Further, the Culture and Heritage Priorities Plan would also outline the relationship between this regional museum and community museums such as Quaker and Evergreen Houses, as well as those in other HRM communities.

Next Steps

As noted, there are several initiatives currently underway which will impact the direction and decisions on a future museum to display HRM's cultural artifacts. Work on the inventory and restoration of the existing artifacts along with future cataloguing of other artifacts is expected to continue over the next couple years. Upon completion of the initial phases of work, space requirements will be able to be determined.

Further, completion of the Cultural and Heritage Priorities Plan will provide policy direction related to HRM's role in museums. That policy direction along with the space requirements for display of the collection will provide necessary information for recommendation on a future municipal museum. Any decisions on potential museum location or configuration would be premature until these initiatives are completed.

Conclusion

Based on the facility condition assessment conducted for the 90 Alderney Drive, there would be significant challenges and costs associated with upgrading the building to house a municipal museum. As well, until work on the overall HRM artifact collection is completed, detailed information on actual amount of space required for storing and displaying the collection cannot be determined. Further, as noted by HRM's Auditor General, assessment of the collection and restorative measures need to be completed prior to any future public display. Moreover, the absence of an overarching museum strategy and mandate for heritage collection and interpretation calls into question the appropriateness of HRM taking on the additional financial cost required to support the use of 90 Alderney Drive by the DHMS for a museum. For these reasons, it is recommended that Regional Council refer 90 Alderney Drive for review in accordance with the process defined in Administrative Order 50.

FINANCIAL IMPLICATIONS

The recommendation to declare 90 Alderney Drive unsuitable for a museum and dispose of the building would result in both future capital and operating cost savings for HRM along with potential sale revenue. These include:

Future Cost Avoidance:

There is no current Capital budget related to 90 Alderney Drive. It is estimated that upgrade costs for the building are between \$5.0 and \$8.8 million.

Ongoing Operating Savings:

Annual Operating Cost Savings: \$380,000 (fully occupied building)

Annual Operating Cost Savings: \$87,000 (vacant building with the exception of council chamber use)

Net Revenue:

Estimated net sale value would be dependent on the proposed use and market conditions.

The following HRM costs associated with the cultural artifact collection would remain in place until completion of the work on the cultural artifacts and direction on HRM's role in museums, and may be further extended depending on Council's direction at that time:

Annual DHMS operating grant: \$50,000

Annual storage rental costs: \$75,000

Additional facility operating and capital costs: \$25,000

COMMUNITY ENGAGEMENT

Initial discussions with DHMS related to the use of 90 Alderney Drive and the work on HRM's cultural artifact collection is ongoing. Community engagement will be undertaken as part of work on the Cultural and Heritage Priorities Plan.

ENVIRONMENTAL IMPLICATIONS

None identified

ALTERNATIVES

Alternative 1: Regional Council could choose to direct staff to return to Council with a Less than Market Value lease for the Property located at 90 Alderney Drive. This is not recommended for the reasons provided in this report.

Alternative 2: Regional Council could choose to direct staff to sell the building to Dartmouth Heritage Museum Society. This is not recommended as it would not be consistent with the process outlined in Administrative Order 50.

Alternative 3: Regional Council could choose to direct staff to include in the 2014-2015 Budget the necessary capital and operating costs associated with converting 90 Alderney Drive into a museum. This is not recommended as the facility assessment outlined that even with upgrades, the building would not be ideal for a museum and work on HRM's artifact collection is not complete so the required amount of space is not known at this time.

Alternative 4: Regional Council could choose to direct staff to retain the largely vacant building for a future municipal purpose to be determined. This is not recommended due to the ongoing operating and maintenance costs.

ATTACHMENTS

None

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.

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