

P.O. Box 1749 Halifax, Nova Scotia B3J 3A5 Canada

> Item No. 8.1 Halifax Regional Council July 29, 2014 September 9, 2014

TO:	Mayor Savage and Members of Halifax Regional Council
SUBMITTED BY:	Original signed by Richard Butts, Chief Administrative Officer
	Original Signed by Director
	Jane Fraser, Director, Planning and Infrastructure
DATE:	June 13, 2014
SUBJECT:	Administrative Order 50 – Disposal of Surplus Real Property

ORIGIN

This report originates with the April 9, 2013, Regional Council approval of Administrative Order 50 respecting the Disposal of Surplus Real Property.

LEGISLATIVE AUTHORITY

- The Municipality's powers with regard to real property are under Section 61, 63 and Section 64 of the *HRM Charter*.
- Administrative Order 50

RECOMMENDATION

It is recommended that the Halifax Regional Council:

- 1. Declare the properties contained in Attachments B, C, D, E and F of this report surplus to municipal purposes and that the properties are declared to be categorized as per Attachment B, C, D, E and F for the purposes of Administrative Order 50, respecting the Disposal of Surplus Real Property, and;
- 2. Approve a change in categorization of the surplus property at 80 Grono Road, shown on Attachment G, from Ordinary to Community.

BACKGROUND

On April 9, 2013, Council approved Administrative Order 50 for the disposal of surplus real property. Administrative Order 50 provides a regular and comprehensive disposal approach by bringing before Council an inventory of candidate properties for review and decision with respect to: (1) surplus; and (2) category/disposal method. It also recognizes that certain properties may, from time to time, be strategic for the growth of HRM or key for community, and that these properties can be identified early in the process and streamed into the most appropriate property category based on the definitions set out in the policy. The policy requires that, at a minimum of at least once a year, a surplus property report be brought forward to Regional Council.

PROPERTY REVIEW AND DECLARATION OF SURPLUS

The disposition of surplus property under Administrative Order 50 includes the following steps:

- 1. Staff will facilitate at least one annual review of the Municipality's real property inventory in order to identify potentially surplus properties.
- 2. All Business Units are solicited to identify any municipal requirements for those properties identified as potentially surplus.
- 3. Following the Business Unit reviews and identification of the operationally surplus property, staff, using the property category definitions under Administrative Order 50, will categorize the inventory of the properties and list them by category.
- 4. Surplus properties are categorized as follows:
 - Economic Development;
 - Community Interest;
 - Ordinary;
 - Remnant; and
 - Extraordinary.
- 5. Local Councillor and Community Councils will be informed of the inventory of the properties and the proposed categories by staff. Property information packages will be distributed to Area Councillor and Community Councils for feedback.
- 6. Recommendation report to Council containing recommended lists of properties to be declared surplus and the recommended categorization and disposition method. Council may approve the recommendations, may remove any property from any list, and may move any property from one list to another list, and may declare the lists, or any of them, surplus to the Municipality's requirements.
- 7. Properties recommended for market sale shall be placed on the market under the disposal methods set out in Administrative Order 50. Approval of final conveyances shall be under delegated authority or by approval of Regional Council as required.
- 8. Properties recommended for community process shall be advertised for non-profit organizations' proposals as set out in Administrative Order 50. Approval of less than market value sales, or leases to non-profit organizations, shall be by Council as per Section 63 of the Charter. If no submissions are received, or none are approved, then Council will direct the market value disposal under the policy.

Steps one through five of the above process have been completed. This report addresses step six and is seeking Council's approval of the report recommendation respecting the lists of properties to be declared surplus, by category as attached to this report.

Council should note that the recommendation at this time does not authorize the conveyance or sale of properties. Approval of final conveyances shall be under delegated authority or by approval of Regional Council as required.

DISCUSSION

The summary of surplus property by category is provided in Table 1 below. The full property listings and detail by property is provided as Attachments to this report.

TABLE 1	1
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Property Category	Quantity	Area (Sq.ft.)	Assessment
Economic Development	1	2,890	\$1,357,300
Community Interest	2	99,560	\$87,100
Ordinary	5	669,961	\$8,387,200
Remnant	2	4,048	\$9,500
Extraordinary	8	54,522	\$1,718,600
Totals	18	830,981	\$11,559,700

Note: The above information was compiled using available Provincial assessment data and approximations of areas for the subject parcels. The assessment value is intended to give Council a measure of value, and may not be an accurate reflection of current market value.

6067 Quinpool Road

The property located at 6067 Quinpool Road (The former St. Pat's High School) has also been reviewed through the Administrative Order 50 process and has been identified as surplus to Municipal purposes. This matter is the subject of a separate recommendation report to Regional Council.

FINANCIAL IMPLICATIONS

There are no financial implications noted at this time.

COMMUNITY ENGAGEMENT

This report deals with an administrative matter and, as such, public consultation was not undertaken.

ENVIRONMENTAL IMPLICATIONS

Implications not identified.

ALTERNATIVES

- 1. Council could elect not to declare the recommended inventory of property, or specific properties, surplus to municipal requirements and remove them from the list.
- 2. Council could recommend changes to the categorization of specific surplus properties for Council's consideration.

ATTACHMENTS

Attachment "A"	Administrative Order No. 50
Attachment "B"	Economic Development
Attachment "C"	Community Properties
Attachment "D"	Ordinary Properties
Attachment "E"	Remnant Properties
Attachment "F"	Extraordinary Properties
Attachment "G"	Categorization Change

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.

Report Prepared by:	Nathan Hines, Senior Real Estate Officer, Real Estate and Land Management 490-5477
	Peter Stickings, Manager, Real Estate and Land Management, 490-7129
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Report Approved by:	Peter Stickings, Acting Director, Planning and Infrastructure, 490-7166
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Report Approved by:	John Traves, QC, Director, Legal, Insurance & Risk Management Services 490-4219
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ADMINISTRATIVE ORDER NUMBER 50 RESPECTING THE DISPOSAL OF SURPLUS REAL PROPERTY

<u>Be it resolved</u> as an Administrative Order of the Council of the Halifax Regional Municipality as follows:

SHORT TITLE

1. The Administrative Order may be cited as Administrative Order Number 50, the Disposal of Surplus Real Property Administrative Order.

POLICY STATEMENT AND CATEGORIZATION

2. (1) The Municipality can acquire and sell real estate within its legislative provisions. Real estate holdings can be a "corporate" asset necessary for municipal functions and purposes of the business units or may be held for particular use of inhabitants of HRM for example, parks and institutional uses. Corporate assets are subject to corporate review by the Asset Owner Business Unit for continuing requirement. Where the business units of HRM have determined that properties no longer serve an operational requirement of the corporation or otherwise appear to be surplus to the needs of the Municipality, then the policy of disposal to be followed in all cases, excepting municipal property which requires particular process through statute or common law or property available in the Municipal Business Parks, is as directed by this policy of Council.

(2) The Municipality will dispose of real property Council determines is no longer required for the purposes of the Municipality. Staff will identify surplus properties by the following categories:

Economic Development

(a) Strategic properties having Economic Development potential ought be sold to:

- (i) maximize use or value;
- (ii) achieve the attraction of targeted industries and employment or the regeneration of neighborhoods;
- (iii) to advance development opportunities; and
- (iv) to generate financial return to the Municipality.

Community Interest

(b) Properties known to have potential for community use, in particular where:

- (i) there has been a prior community or institutional use of the property; or
- (ii) by location or scarcity of available property the consideration would reasonably arise.

Ordinary Sale

(c) Properties of an:

- (i) ordinary or routine nature;
- (ii) which no longer have a municipal purpose.

Remnant

(d) Properties which are remaining or subdivided lands which:

- (i) by nature of their size or dimensions have limited or no reasonable use;
- (ii) but which may have utility for abutting property owners, and can be disposed under s. 64 of the Charter allowing Council to set a price that is less than market value.

Extraordinary

(e) Properties having an historic or legal distinction which include conditions or extraordinary process with respect to their preservation or disposal including but not limited to:

- (i) the Halifax Commons;
- (ii) the Dartmouth Commons;
- (iii) streets;
- (iv) any municipal properties, including parks, which are held in trust, or upon condition, or with reserving interests, or like constraints;
- (v) and parkland acquired through subdivision process.

PROPERTY REVIEW AND DECLARATION OF SURPLUS

3. (1) Real Estate and Land Management staff will facilitate at least one annual review of the Municipality's real property inventory in order to identify potentially surplus properties.

(2) All Business Units will be solicited to identify any municipal requirements for those properties identified as potentially surplus.

(3) Upon completion of Business Unit reviews and identification of the operationally surplus property the Real Estate and Land Management Unit will categorize the nature of the inventory of the properties and list them by category.

(4) Local Councillor and Community Council will be informed of the inventory of the properties and the proposed categories by staff. Local Councillor will then have the opportunity to contact local community to discuss potential surplus properties to gauge interest in potential disposal methods for the properties with area residents. The result from these potential community consultations will then be included in the surplus property report that comes to Council.

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(5) Real Estate and Land Management staff will prepare a Surplus Property Report at least one a year to Council which will attach lists of properties by category. The report will recommend that all lists of properties should be declared by Council to be surplus property, that each category be approved by Council, and that the disposal method recommended for each list under this policy be approved by Council.

(6) Council may approve the recommendations, may remove any property from any list, and may move any property from one list to another list, and may declare the lists, or any of them, surplus to the Municipality's requirements.

DISPOSAL METHODS

4. (1) Following Council approvals under Part 2, staff shall proceed to dispose of the properties as determined by category.

Ordinary Properties

- (a) These properties shall be placed on the market by Real Estate and Land Management. The sale of market properties may be achieved through:
 - (i) direct marketing by staff;
 - (ii) listing contracts with licensed real estate brokers;
 - (iii) public tenders; or
 - (iv) proposal call methods.
- (b) Determination of the achieving market value will be supported by appraisal or through the receipt of sufficient offers over an appropriate exposure period.
- (c) Approval of final conveyances shall be under delegated authority or by approval of Council as required.

Economic Development Properties

(d) These properties viewed by Council to be strategic may be disposed through individually recommended processes contained in the Surplus Properties Report, and may include referral to a special committee or task force of HRM created for the purpose of overseeing the strategic use and disposal of a property.

Properties under this category are required by the Charter to be sold at market value and can include partnership models between private developers and non-profits and municipally defined public use or service delivery components.

Community Interest Properties

(e) Properties with this potential will be advertised by staff, led by Grant Program Staff, with support of Community and Recreation Services, after being the subject of a public information meeting in the area of the property. After advertising the opportunity to submit proposals, non-profit organizations will have a minimum of 90 days and a maximum of 120 days to submit a written proposal for the use of the property. Submissions should set out:

- the name, composition and legal status of the group, its purpose and management structure, including office-bearers;
- (ii) the nature of the activities proposed;
- (iii) a financial statement;
- (iv) a business plan for the first five years; and
- (v) a clear statement of the terms the group is prepared to offer for the purchase or lease of the property.
- (f) All submissions received on or before the last day of submissions will be evaluated by a cross-disciplinary staff committee, including finance and community resources expertise, enlisted by the Grants Program staff for content compliance, viability, compensation, and for benefit to the Municipality. Grants staff will develop criteria that will be publically available for scoring the community interest projects.
- (g) Staff will report to Council on the submissions received and the evaluation by staff, including the advisability of a Buy-Back Agreement and the terms of any suggested Buy-Back Agreement.
- (h) Council may determine to select a submission which would be considered on the basis of s. 63(1), (2), (3), (4), (5) of the Charter, the statutory mandate for Council being whether Council considers the non-profit organization to be carrying on an activity that is beneficial to the Halifax Regional Municipality.
- (i) Council will also consider the overall context of the disposal, including:
 - (i) the market value of the property as appraised;
 - (ii) the Planning Strategies of the area of the property;
 - (iii) the benefit of any cost saving to the Municipality;
 - (iv) the consequences, beneficial or otherwise, to the community or the Municipality as a whole;
 - (v) the beneficial considerations of any submission against the benefit to the Municipality of selling the property at market value; and
 - (vi) whether or not a Buy-Back Agreement is a condition of a sale.
- **j**) If Council decides to consider the disposal at less than market value, if a property is worth more than \$10,000, under s. 63(3), Council must first hold a public hearing respecting the sale and advertise as per s. 63(4), (5):

63(4) The Council shall advertise the public hearing at least twice, in a newspaper circulating in the Municipality, the first notice to appear at least fourteen days before the hearing.

(5) The notice of the public hearing shall include the date, time and place of the hearing, the location of the real property or a description of the tangible personal property, the estimated value of the property and the purpose of the sale. 2008, c. 39, s. 63.

- (k) The resolution of approval for sale requires passage by at least a two-thirds majority of the Council present and voting.
- (1) In the event that Council rejects any or all non-profit organizations' submissions to purchase at a less than market value, Council may direct staff to proceed to sell the property at market value.

Remnant properties

(2) Staff will negotiate the sale of such parcels with any interested abutter of such lands and at such price as supported by appraisal or set by Council directly or through policy adopted by Council.

Extraordinary properties

(3) This category of properties will be dealt with as required by legislation, common law, or contract that governs any disposal by the Municipality, and may be omitted from this policy.

APPRAISALS

5. At least one appraisal of the current market value of any Ordinary property, Community Interest property, or Economic Development property will be obtained as part of the disposal process. Appraisals will remain confidential until the sale is completed.

IMPLEMENTATION

6. This policy shall apply as of the date of approval of Council, excepting properties which are:

- (i) already approved by Council as surplus;
- (ii) under agreement of purchase and sale through delegated approval as of the date of Council approval of this policy;
- (iii) going to Council for approval by individual report up to and including March 31, 2013.

Done and passed in Council this 9th day of April, 2013.

Original Signed	
Mayor Mike Savage	<u>.</u>
Original Signed	
Municipal Clerk	

I, Cathy Mellett, Municipal Clerk of Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on April 9, 2013.

Original Signed

Cathy Mellett, Municipal Clerk

Notice of Motion: Approval

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March 26, 2013 April 9, 2013

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ADMIN. ORDER 50 SURPLUS ECONOMIC DEVELOPMENT PROPERTIES

CATEGORY:ECONOMIC District: 7 Disposal Method: As per Admin. Order DEVELOPMENT Zone: DH-1 50 (Downtown Halifax) Asset Condition: Poor Land Area: 2,890 ft.² Operating Costs: Est. \$33,000/yr **Bldg. Area:** 8,826 ft.² Assessed Value: \$1,357,300 Known As: Khyber Centre for the Arts Notes: Built for the Church of England Institute in 1888. • The property was most recently leased for office and gallery • use. **1588 Barrington** The building condition assessment has determined that this • Street, Halifax facility is in poor condition and hazardous materials have been PID# 00076471 identified. • Deferred recapitalization for the building is estimated to be \$4,150,945. The area Councillor is interested in having staff undertake • further review and repairs required for the retention of the facility by HRM in support of arts and cultural programming.

ADMIN. ORDER 50 SURPLUS COMMUNITY PROPERTIES

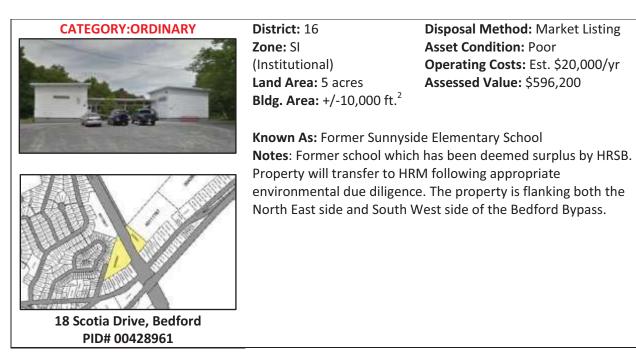
CATEGORY:COMMUNITY	District: 1 Zone: VIL (Village) Land Area: 43,560 ft. ² Bldg. Area: +/- 2,912 ft. ²	Disposal Method: As per Admin. Order 50 Asset Condition: Poor Operating Costs: Est. \$25,000/yr Assessed Value: \$87,100	
808 Highway 277, Dutch Settlement PID# 40192908	Known As: Former Fire Station #40 Notes : Building is vacant. Declared surplus and decommissioned		
	by Fire Services.		
CATEGORY:COMMUNITY	District: 11	Disposal Method: As per Admin.	
HER ST.	Zone: P-2 (Community Facility)	Order 50 Asset Condition: N/A	
	Land Area: +/-56,000 ft. ²	Operating Costs: Est. \$40,500/yr	
and the second	Bldg. Area: +/- 9,300 ft. ²	Assessed Value: N/A	
30 Latter Pond Lane, Herring Cove PID# 40000069 & 40000051	Centre and Former Fire Station #60		
	Notes : Subdivision and demolition of the old Fire Station #60 will be required, prior to disposal.		

ATTACHMENT "D"

ADMIN. ORDER 50 SURPLUS ORDINARY PROPERTIES

CATEGORY: ORDINARY Improve the series of th	District: 5 Zone: DB (Downtown Business District) Land Area: 119,791 ft. ² 2.75 acres Bldg. Area: +/-38,000 ft. ² Asset Age: 40 years Known As: Former Dartme Notes: Planning Amendme prior to disposal.	Disposal Method: Market Listing Asset Condition: Poor Operating Costs: \$87,000/yr unoccupied \$380,000/yr occupied Assessed Value: \$7,119,500 Deferred Recapitalization: \$5 to \$9M
CATEGORY:ORDINARY	District: 6 Zone: R-3, R-2 (Multiple Family & Two Family Residential) Land Area: 21,844 ft. ² Bldg. Area: N/A Known As: Notes: Undeveloped woo	Disposal Method: Market Listing Asset Condition: N/A Operating Costs: N/A Assessed Value: \$240,300 ded lot.
CATEGORY:ORDINARY		Disposal Method: Market Listing Asset Condition: N/A Operating Costs: N/A Assessed Value: \$57,000
CATEGORY:ORDINARY		Disposal Method: Market Listing Asset Condition: Average Operating Costs: Est. \$51,300/yr Assessed Value: \$374,200

ADMIN. ORDER 50 SURPLUS ORDINARY PROPERTIES



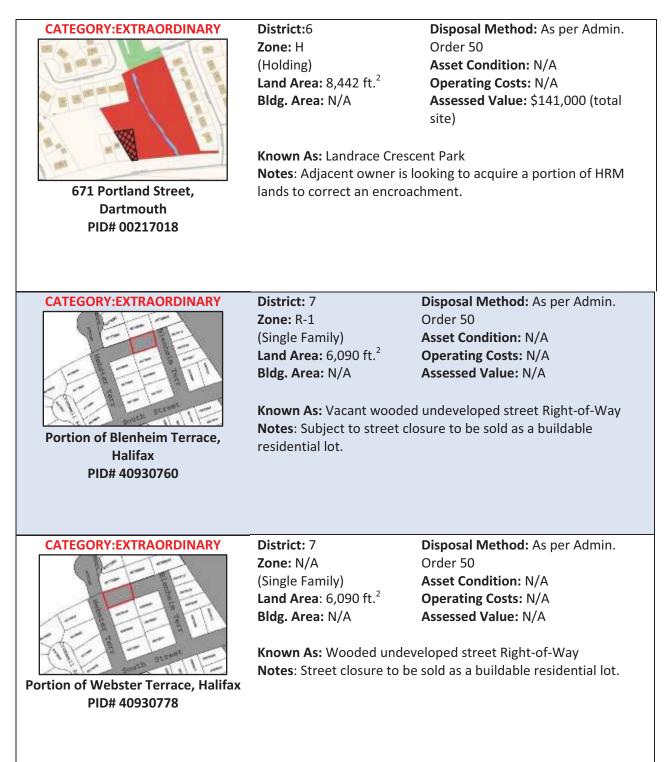
ATTACHMENT "E"

ADMIN. ORDER 50 SURPLUS REMNANT PROPERTIES

CATEGORY:REMNANT	District: 1 Zone: R-1 (Single Family Residential)	Disposal Method: As per Admin. Order 50 Asset Condition: N/A Operating Costs: N/A
Lake Charles Drive, Dartmouth	Land Area: 2,200 ft. ² Bldg. Area: N/A Known As: Former walkw	Assessed Value: \$9,500
PID# 40326118	Notes: Unimproved.	
CATEGORY:REMNANT	District: 11	Disposal Method: As per Admin.
107501	Zone: R-2	Order 50
11576914 autom	(Two Unit Dwelling) Land Area: 1,848 ft. ²	Asset Condition: N/A
41570	Bldg. Area: N/A	Operating Costs: N/A Assessed Value: N/A
and and and	Known As:	
Sarah Ingraham Drive,	Notes : Retained for previous turning circle which has been since	
Williamswood	been extended and connected to Brittany Murphy Terrace.	
PID# 40873606 Disposal will be subject to Preliminary Plan of Subdivision approved.		o Preliminary Plan of Subdivision being

ATTACHMENT "F"

ADMIN. ORDER 50 SURPLUS EXTRAORDINARY PROPERTIES



ADMIN. ORDER 50 SURPLUS EXTRAORDINARY PROPERTIES

	District: 7	Dispessel Matheds As as a	
CATEGORY: EXTRAORDINARY	District: 7	Disposal Method: As per	
	Zone: R-3	Administrative Order 50	
	(Low Rise Apartment)	Asset Condition: N/A	
	Land Area: 15,105 ft. ²	Operating Costs: N/A	
	Bldg. Area: N/A	Assessed Value: \$1,577,600 (4	
		parcels)	
	Known As: Maitland Stre	-	
Maitland Street, Halifax		wned by CMHC and HRM and parking	
PID# 40623902		a Development Agreement. Owner of	
1 of 4	-	Building and developer/operated of	
		interest and proposal to develop the site	
	with mixed use and continues parking inventory to sup		
		vide new parking capacity.	
CATEGORY: EXTRAORDINARY	District: 7	Disposal Method: As per	
	Zone: R-3	Administrative Order 50	
1. 1. 2. 10/ 1	(Low Rise Apartment)	Asset Condition: N/A	
	Land Area: 6,861 ft. ²	Operating Costs: N/A	
	Bldg. Area: N/A	Assessed Value: \$1,577,600 (4	
		parcels)	
	Known As: Maitland Stre		
Maitland Street, Halifax	Notes: Property jointly ov	wned by CMHC and HRM.	
PID# 40623910			
2 of 4			
2 01 1	_		
CATEGORY: EXTRAORDINARY	District: 7	Disposal Method: As per	
	Zone: R-3	Administrative Order 50	
a la	(Low Rise Apartment)	Asset Condition: N/A	
	Land Area: 1,800 ft. ²	Operating Costs: N/A	
	Bldg. Area: N/A	Assessed Value: \$1,577,600 (4	
		parcels)	
	Known As: Maitland Street surface parking lot		
	Notes: Property jointly owned by CMHC and HRM.		
Maitland Street, Halifax			
PID# 40270191			
3 of 4			
CATEGORY: EXTRAORDINARY	District: 7	Disposal Method: As per	
A YOUNG	Zone: R-3	Administrative Order 50	
	(Low Rise Apartment)	Asset Condition: N/A	
	Land Area: 6,534 ft. ²	Operating Costs: N/A	
		Assessed Value: \$1,577,600 (4	
	Bldg. Area: N/A		
	-	parcels)	
	Known As: Maitland Stre	parcels) et surface parking lot	
	Known As: Maitland Stre	parcels)	
Maitland Street, Halifax	Known As: Maitland Stre	parcels) et surface parking lot	
Maitland Street, Halifax PID# 40270183 4 of 4	Known As: Maitland Stre	parcels) et surface parking lot	

ADMIN. ORDER 50 SURPLUS EXTRAORDINARY PROPERTIES



Portion of Cobequid Road, Sackville PID# 40912156 District: 15 Zone: N/A (Portion of Road way) Land Area: +/-3,600 ft.² Bldg. Area: N/A Disposal Method: As per Admin. Order 50 Asset Condition: N/A Operating Costs: N/A Assessed Value: N/A

Known As: Portion of Cobequid Road **Notes**: Portion of road to be closed and consolidated with the abutting property.

ADMIN. ORDER 50 CATEGORIZATION CHANGE



PID# 40675860

District: 1Disposal Method: As per Admin.Zone: VILOrder 50(Village)Asset Condition: Average/PoorLand Area: 44,867 ft.2Operating Costs: Est. \$9,300/yrBldg. Area: 15,000 ft.2Assessed Value: \$30,000

Known As: Riverline Activity Centre

Notes: Former HRM Community Centre. Property was deemed surplus and categorized as an Ordinary property, through Admin. Order 50 on August 6, 2013. The property is still used/occupied by a group who have expressed an interest in submitting a proposal under the Community category.