



P.O. Box 1749
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Item No. 9.3

Regional Council
August 5, 2014
September 9, 2014

TO: Mayor Savage and Members of Regional Council

SUBMITTED BY: Original Signed by
Mike Labrecque, Acting Chief Administrative Officer

Original Signed by Director

Jane Fraser, Director of Planning & Infrastructure

DATE: July 24, 2014

SUBJECT: Less than Market Sale - 2581 Brunswick Street, Halifax, to the City of
Halifax Non-Profit Housing Society

ORIGIN

This report originates with a request from the Solicitor of the City of Halifax Non-Profit Housing Society, for HRM to issue a deed to the Society for 2581 Brunswick Street, Halifax, to allow the subject property to be migrated into the name of the Society.

LEGISLATIVE AUTHORITY

Section 63 (1) of the Halifax Regional Municipality Charter; 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. Waive the requirement for the HRM Grants Committee to recommend to Halifax Regional Council the Less than Market Sale;
2. Declare the property at 2581 Brunswick Street, Halifax, as shown in Attachment "A", surplus to municipal purposes;
3. Categorize the property at 2581 Brunswick Street, as 'Extraordinary', as per Administrative Order 50;
4. Direct staff to set a date for a public hearing for the less than market sale of 2581 Brunswick Street, Halifax; and
5. Subject to the outcome of the public hearing, authorize the Mayor and Municipal Clerk to enter into an Agreement of Purchase and Sale for 2581 Brunswick Street with the City of Halifax Non-Profit Housing Society, for \$1.00.

EXECUTIVE SUMMARY

Since the 1980's the City of Halifax Non-Profit Housing Society has been maintaining, paying taxes, and been charging rent to clientele at 2581 Brunswick Street, Halifax, and for all intents and purposes both City of Halifax Non-Profit Housing Society and HRM have been treating the property as if it was legally owned by the Society. Further evidence that the subject property has been treated as owned by the City of Halifax Non-Profit Housing Society is the fact that in 1998 HRM expropriated a portion of the property for purposes of the MacDonald Bridge Third Lane Improvement Project.

However, a recent detailed title search shows that there is no deed from HRM to the City of Halifax Non-Profit Housing Society conveying the subject property to the Society, and it is still owned by HRM. The purpose of this report is to address the title issue, and to recommend the conveyance of the property to the Society.

This action is consistent with Council's previous direction on the subject property and its interest in conveying Parcels W and X to the Society to consolidate with their other land holdings, including 2581 Brunswick Street.

BACKGROUND

- February 3, 2004, a Grants Committee Report recommended that Regional Council approve the conveyance of the HRM owned parcels of land abutting the side of 2581 Brunswick Street (Parcel W) and a parcel of land abutting the rear of 2569 Brunswick Street (Parcel X) to the City of Halifax Non-Profit Housing Society each for the sum of \$1.00, subject to certain conditions, including the consolidation of the parcels with 2581 and 2569 Brunswick Street;
- March 30, 2004, Halifax Regional Council approved an all-inclusive expropriation settlement for compensation for the expropriation of portions of 2581 and 2579 Brunswick Street. Furthermore, Council approved the conveyance of two undersized lots, Parcel W adjacent to 2581 Brunswick and Parcel X to the rear of 2579 Brunswick, for the sum of \$1.00;
- January 8, 2008, Regional Council approved a one-time payment to CMHC to recognize specific outstanding payments due to CMHC under the Urban Renewal Lands Agreement. The subject property formed part of this settlement. CMHC was paid out their 50 percent share of the market value of the lands;
- January 12, 2011, Information Report updating Council on the direction of Council on the status of the negotiations between HRM and the City of Halifax Non-Profit Housing Society with respect to a favourable settlement arrangement for their outstanding receivable (payroll and taxes).

DISCUSSION

Parcel W and Parcel X were approved to be conveyed to the City of Halifax Non-Profit Housing Society and Agreements of Purchase and Sales were executed by both parties. As a condition of the conveyance the subject parcels were to be consolidated with the abutting lands, including 2581 Brunswick Street, owned by the City of Halifax Non-Profit Housing Society, and all properties, including the HRM parcels, were to form one consolidated property owned by the City of Halifax Non-Profit Housing Society.

In order to do the required consolidation, the City of Halifax Non-Profit Housing Society properties had to be migrated under the Land Registration Act. As part of the registration process the City of Halifax Non-Profit Housing Society's solicitor did a full title search on the City of Halifax Non-Profit Housing Society properties involved, the results of which indicated that the City of Halifax Non-Profit Housing Society did not have clear title to 2581 Brunswick Street (Lot A-7), and that it is still vested in the name of HRM. HRM

Legal Services reviewed the information, and agrees that the City of Halifax Non-Profit Housing Society does not have title to 2581 Brunswick Street.

The following is a summary of the key events regarding the title history of this property;

- March 3, 1980, City of Halifax conveyed, by Warranty Deed, a lot to the City of Halifax Non-Profit Housing Society measuring 26.6 ft. x 95 ft. on the east side of Brunswick Street, comprising the majority of what is now the 2581 Brunswick Street property;
- October 22, 1980, the City of Halifax registered an expropriation which among other lands, expropriated a large block of land bounded by Brunswick Street, Barrington Street, North Street and Artz Street.(Block A) The expropriated lands included the subject property and several other lots which had been conveyed to the City of Halifax Non-Profit Housing Society along Brunswick Street in 1980 by the City of Halifax;
- After the Expropriation the City of Halifax subdivided Block A to create various parcels, including the subject property, 2581 Brunswick Street (Lot A-7). This subdivision was effected by a plan registered on June 13, 2003;
- Following the registration of the plan HRM granted deeds to the City of Halifax Non-Profit Housing Society of the same properties conveyed prior to the expropriation. These deeds were registered at the Registry of Deeds by the City of Halifax Non-Profit Housing Society; however, no deed was registered for the subject property;

It is unknown if the City of Halifax intended to re-convey 2581 Brunswick Street to the Society as the records do not address the matter. It should be noted that the legal description for the property has slightly changed from the original conveyance from the City of Halifax in 1980 to the present configuration as shown on the proposed plan, which will also be rectified.

The City of Halifax Non-Profit Housing Society has applied for a Development Agreement to redevelop the consolidated properties as a multi-unit affordable housing development. The Development Agreement has been approved by Community Council and is required to be signed by the property owner by September 15, 2014. Staff is seeking an additional extension through Community Council to provide some flexibility to deal with any unforeseen issues at the time of closing. In order for the City of Halifax Non-Profit Housing Society to proceed with its planned redevelopment the historical title issues relating to the property need to be addressed.

The City of Halifax Non Profit Housing Society's solicitor requested that HRM issue a deed to the City of Halifax Non-Profit Housing Society for 2581 Brunswick Street (Lot A7) with the proper legal description which will allow the property to be migrated in the name of City of Halifax Non-Profit Housing Society. HRM will migrate Lot A7 and then subsequent deeds and consolidations can take place.

The subject property was put through the Real Property Technical Review, as per Administrative Order 50, and the recommendation is:

- deem the property surplus to Municipal purposes;
- categorized the subject property as "Extraordinary"

Extraordinary properties are dealt with as required by legislation, common law, or contract that governs any disposal by the Municipality, and may be omitted from the policy. In this case, this property can be considered under contract by virtue of the original intention contained in the Urban Renewal Lands Agreement of the early 1980's. Furthermore, it is intended that the property be sold at less than market value, which would follow the legislation under the HRM Charter.

It is recommended that the Council approve the staff recommendation to resolve this house keeping matter.

The following table sets out the property detail and recommended terms and conditions of the conveyance:

Table 1: Summary of Key Terms and Conditions	
Civic Address	2581 Brunswick Street, Halifax
PID No.	40261364
Site Area	223.8 sq. m. (2409 sq. ft.)
Vendor	Halifax Regional Municipality
Purchaser	City of Halifax Non-Profit Housing Society
Zoning	R-2 (General Residential) Zone
Assessed Value	\$274,200 (2014 Residential taxable)
Proposed Sale Price	\$1.00
Specific Terms & Conditions	<ul style="list-style-type: none">• Property is being sold on an 'as is' basis;• The Agreement of Purchase and Sale will not be subject to a Buy-Back Agreement;• The Purchaser will be responsible for all reasonable Municipal costs associated with the conveyance;

FINANCIAL IMPLICATIONS

There no Financial Implications with this report, as the Purchaser will be responsible for all costs associated with this less than market sale.

COMMUNITY ENGAGEMENT

As required by legislation for a less than market value property sale, a public hearing is required.

ENVIRONMENTAL IMPLICATIONS

None.

ALTERNATIVES

Halifax Regional Council could instruct staff to **not** declare the subject property as surplus under Administrative Order Number 50, and to retain ownership for alternative municipal purposes, to be determined at a later date. This is not recommended.

ATTACHMENTS

Attachment "A" – Site Plan
Attachment "B" – Site Photography

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> 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: Tom Crouse, Acquisition & Disposal Manager, Real Estate & Land Management, P&I, 490-5931
Peta-Jane Temple, Team Lead Grants & Contributions, Finance & Information Technology 490-5469

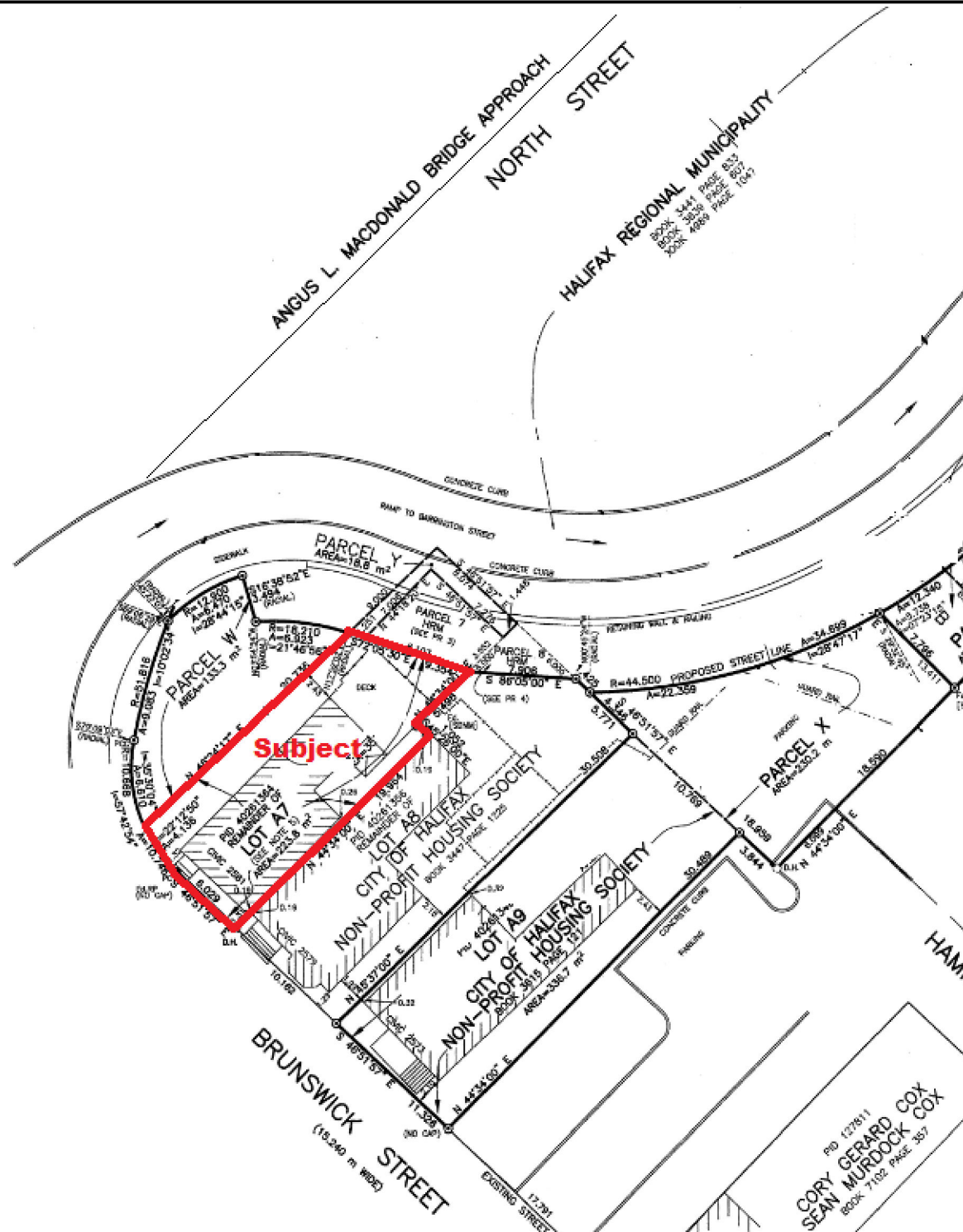
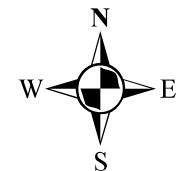
Report Approved by: Peter Stickings, Manager, Real Estate & Land Management, 490-7129

Report Approved by: John Traves, Q.C., Director, Legal Services, 490-4219

ATTACHMENT 'A'

Less Than Market Sale -
2581 Brunswick Street

SITE PLAN



This map was produced for the internal use of Halifax Regional Municipality (HRM). HRM takes no responsibility for errors or omissions. Date of map is not indicative of the date of data creation.

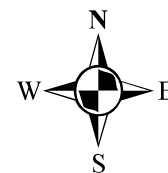
Date: July 11, 2014
Prepared by: E. Wall



ATTACHMENT 'B'

Less Than Market Sale -
2581 Brunswick Street

SITE PHOTOGRAPHY



This map was produced for the internal use of Halifax Regional Municipality (HRM). HRM takes no responsibility for errors or omissions. Date of map is not indicative of the date of data creation.

Date: July 10, 2014
Prepared by: E. Wall