


# HALIFAX

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**Item No. 11.1.3**  
**Halifax Regional Council**  
**November 18, 2014**

**TO:** Mayor Savage 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:** October 28, 2014

**SUBJECT:** Property Disposal – 90 Alderney Drive, Dartmouth

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## **ORIGIN**

- Regional Council's January 28, 2014, motion to: (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; and (3.) Declare 90 Alderney Drive surplus to the needs of HRM and that an equivalent amount of money as realized from the sale of the property be put aside within the Sale of Land reserve to be used toward the establishment of a municipal museum in Dartmouth as part of a cultural cluster
- Regional Council's September 9, 2014, motion to declare 90 Alderney Drive, Dartmouth, surplus to municipal requirements as per Administrative Order 50, under the category "Ordinary Properties", for disposal at market value.

## **LEGISLATIVE AUTHORITY**

This report complies with the Municipality's powers with regard to real property under Section 61 and Section 63 of the HRM Charter. The property was declared surplus and categorized as "Ordinary Properties" for disposal at market value by resolution of Regional Council on September 9, 2014.

## **RECOMMENDATION**

It is recommended that Halifax Regional Council authorize the Mayor and Municipal Clerk to enter into a Purchase and Sale Agreement with Fares & Co. Development Inc. or assignee, for 90 Alderney Drive, Dartmouth, PID 109090, as per the terms and conditions outlined in this report and Table 1 in the Confidential Report dated October 28, 2014.

## **BACKGROUND**

The building located at 90 Alderney Drive (see Attachment A) was originally used as a former City of Dartmouth City Hall civic building, and later was 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 were used for standing committee and community council meetings. The building is now vacant with the only use being that of file storage on the main floor.

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. 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. CBCL Limited was retained to conduct this review and their final report was delivered to HRM in March of 2011.

On January 28, 2014, staff recommended and received approval from Regional Council for the following:

- 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.) Declare 90 Alderney Drive surplus to the needs of HRM and that an equivalent amount of money as realized from the sale of the property be put aside within the Sale of Land reserve to be used toward the establishment of a municipal museum in Dartmouth as part of a cultural cluster

On September 9, 2014, Regional Council declared 90 Alderney Drive, Dartmouth, surplus to municipal requirements for disposal on the open market, categorized as an “Ordinary Property”, at fair market value.

## **DISCUSSION**

The building at 90 Alderney Drive is characterized as a three-storey concrete office complex with a finished basement that contained the former council chambers. The building was constructed circa 1966, and is formerly known as the Dartmouth City Hall. The total gross building area over three floors, including the basement, is 31,350 square feet – see Attachment A for an excerpt of the CBRE listing brochure. A number of building services are shared between 90 Alderney Drive and Alderney Gate; arrangements will be made with the purchaser depending on their anticipated use of the property. Upon completion of the final plan of survey, a small portion (area to be determined by survey) of the mechanical room will be within the street right-of-way beneath the sidewalk of Alderney Drive. An Encroachment Agreement will be entered into with the purchaser upon completion of the transaction.

The underlying land at 90 Alderney Drive is approximately 2.75 acres. This parcel includes the stairs and wheelchair ramp connecting Alderney Drive to the Dartmouth waterfront, and excess land east of the existing improvements which provides views of the Halifax Harbour from Alderney Drive. A prospective site of approximately 25,000 square feet (subject to final plan of survey), will be subdivided from the parent parcel and sold as shown heavily outlined in Attachment ‘B’. An easement will be retained, outlined red on Attachment ‘B’, to restrict above-grade development, thereby preserving a sightline from Alderney Drive to the Halifax Harbour. Additional easements may be retained where necessary, prior to closing, for existing services/structures on and off site. According to the Downtown Dartmouth Land Use By-law, the land use classification of the subject property is DB – Downtown Business District and W - Waterfront Zone. The maximum allowable building height, subject to the existing land use classification, is five storeys.

The subject property was listed on the open market on behalf of HRM by CBRE Limited on October 7, 2014. Marketing methods utilized by the brokerage firm included onsite signage, a listing brochure on their website, and online email distribution to their clients and local brokerages. Staff posted a hyperlinked listing brochure for the subject property on the HRM website to further notify the public of its availability for sale.

The listing generated considerable interest and property viewings from the public. HRM staff has received multiple offers; the details of which are generalized within the Confidential Information Report dated October 28, 2014. Due to the quantity and tight range of competitive offers, a final offer end date was placed on the listing by the broker and all interested parties were advised to submit final offers on/or before October 23, 2014. The subject property's characteristics are summarized as follows:

<b>General Property Information</b>	
Property Address*	90 Alderney Drive, Dartmouth (as is, where is)
PID*	109090 (portion of)
List Price**	\$2,600,000 (excluding applicable taxes)
Property Type	Concrete Office Building (3 storey plus basement)
Building Area	+/- 31,350 square feet
Area*	+/- 25,000 square feet
Zoning	DB – Downtown Business District W – Waterfront District

*\*Subject to change upon final submission of site survey and subdivision approval by HRM.*

*\*\* Based on a 2014 Market Value Assessment completed by CBRE Limited.*

### **FINANCIAL IMPLICATIONS**

The net proceeds from the sale of the property will be placed in the Sale of Land Reserve Account Q101 and to be formally identified and reserved for the establishment of a municipal museum in Dartmouth. Park dedication fee requirements, if applicable and to be determined at the time of subdivision, will be paid from the proceeds of the sale at the time of closing.

Applicable vendor adjustments to the Purchase Price include, but are not limited to, appraisal, survey, easements, environmental impacts, grading deficiencies, wetland management, vendor's legal, marketing and administrative costs. Vendor adjustments or deficiency allowances, if required, shall be to a maximum of 15 percent of the purchase price. HST applies to this transaction.

### **COMMUNITY ENGAGEMENT**

No further community engagement is required under Administrative Order 50 in this instance.

### **ENVIRONMENTAL IMPLICATIONS**

Three Environmental Reports have been completed; one in December 2005 for a suspected leak from the former Underground Storage Tank (UST); and another was completed at the time this UST was removed in 2009. Both reports indicated that there is no environmental contamination present to the soil at the site of the former UST.

**ALTERNATIVES**

Council could choose to not approve the disposal of 90 Alderney Drive and retain the property. This alternative is not recommended, as the property was deemed surplus to HRM requirements by Council on September 9, 2014. Council can also choose to not approve the disposal of 90 Alderney Drive and keep the property listed on the open market. This alternative is not recommended because Staff has received competitive offers from multiple proponents.

**ATTACHMENTS**

Attachment A – CBRE Listing Brochure Excerpt  
Attachment B – Prospective Site Plan

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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 902.490.4210, or Fax 902.490.4208.

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Greg Keefe, Director of Finance & ICT/CFO, 902-490-6308

Report Approved by: \_\_\_\_\_  
Jane Fraser, Director, Operations Support, 902-490-7166

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# HALIFAX

## ATTACHMENT 'A' CBRE Ltd. Listing Brochure Excerpt

### OPPORTUNITY

90 Alderney Drive is a unrivalled opportunity for business owners, investors and developers looking for a position on the Dartmouth waterfront. Downtown Dartmouth is continuing a revival marked by new residential developments, an explosion of local businesses and the development of Kings Wharf. 90 Alderney Drive offers an ideal location with unobstructed waterviews at the end of Portland Street near all the local amenities. The owner will provide, on Closing, a subdivided property of approximately 25,000 square feet as shown on Page 12.

### HIGHLIGHTS

<b>ADDRESS:</b>	90 Alderney Drive, Dartmouth, NS
<b>PRICE:</b>	\$ 2,600,000
<b>PRICE/SQ. FT.:</b>	\$76.56 (building)
<b>BUILDING SIZE:</b>	31,350 sq. ft.
<b>SITE SIZE:</b>	± 25,000 sq. ft.
<b>FRONTAGE:</b>	± 302 ft.
<b>MAX HEIGHT:</b>	5 storeys / 70 feet
<b>SIZE COVERAGE:</b>	100% allowed
<b>PID:</b>	Portion of 00109090
<b>ZONING:</b>	DB - Downtown Business



90 ALDERNEY DRIVE | DARTMOUTH, NS



# OFFERING PROCESS

## SUBMISSION

Based on information contained in this CIM and other information that may be made available by CBRE, interested parties are invited to submit an offer on the Vendor's form of Agreement of Purchase and Sale (APS). Speak with one of our agents to receive a copy of the Vendor's APS.

All offers must be received by the Vendor's Advisor (CBRE Limited).

Offers shall be left open for 5 (five) business days.

The Vendor is under no obligation to accept any offers submitted.

## EXCLUSIVE AGENTS

All inquiries regarding the Property or any information contained in this CIM should be directed to CBRE as follows:

Andrew Cranmer  
Sales Associate  
902 492 2065  
andrew.cranmer@cbre.com

Chris Carter  
Associate Vice President  
902 492 2085  
chris.carter@cbre.com

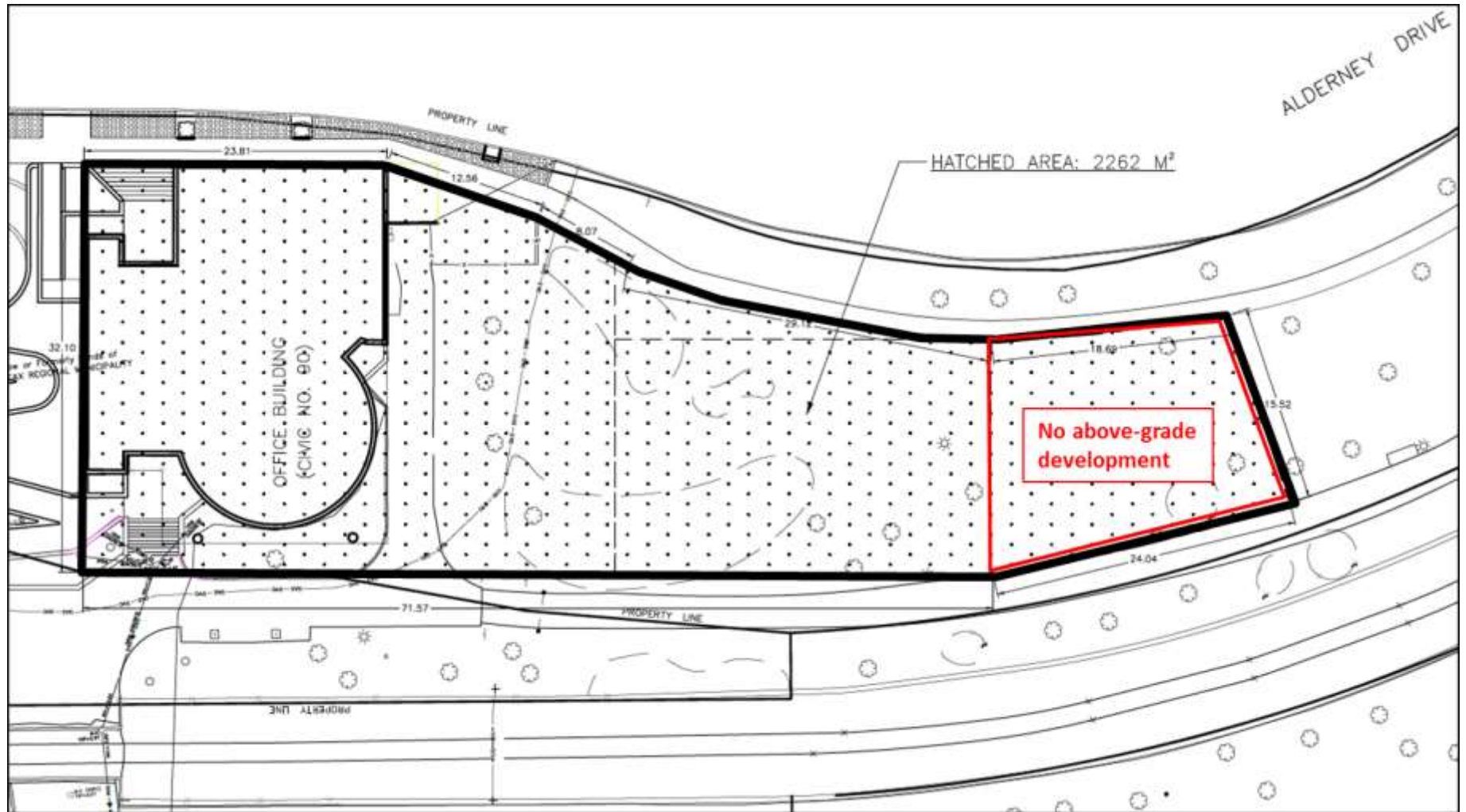


# PROPERTY OVERVIEW | NEIGHBOURHOOD AERIAL



90 ALDERNEY DRIVE | DARTMOUTH, NS

## ATTACHMENT 'B' Prospective Site Plan



Prospective site area = 25,000 sq.ft +/- (subject to change with final survey)

The area outlined red is to be preserved with an easement preventing above-grade development.