



P.O. Box 1749
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Item No. 11.1.1
Halifax Regional Council
September 8, 2015

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: August 8, 2015

SUBJECT: Lease Agreement- 331 Pleasant Street, Dartmouth Halifax Regional Fire & Emergency (HRFE)

ORIGIN

This report originates with a request from Halifax Regional Fire & Emergency (HRFE) to enter into a new land lease agreement for the Woodside Fire Station as the original agreement has expired.

LEGISLATIVE AUTHORITY

The recommended action complies with charter section 61(5) a. The Municipality may acquire property, including property outside of the Municipality, which the Municipality requires for its purposes or for the use of the public.

The proposed lease term of ten (10) years requires approval by Regional Council. This report complies with the Transaction Policy, as approved by Regional Council on October 8, 2002.

Administrative Order 35, Procurement Policy Section 8(10)e states that negotiations with one or more suppliers for the supply of goods, services, construction and facilities shall take place when the extension, or reinstatement of existing contracts would be more cost effective or beneficial to the Municipality.

RECOMMENDATION

It is recommended that Regional Council authorize the Mayor and Municipal Clerk to enter into a lease agreement for the land lease for 331 Pleasant Street, Dartmouth, between Her Majesty the Queen (Landlord) and the Halifax Regional Municipality (Tenant), as per the terms and conditions outlined in Table 1 of the discussion section of this report.

BACKGROUND/ DISCUSSION

The former City of Dartmouth entered into a fifty (50) year lease agreement with Her Majesty the Queen for the land at 331 Pleasant Street for the purpose of a Fire Station and Community Hall. The original lease agreement which commenced October 1, 1962, has expired and the agreement has been held over and under the original Terms and Conditions with the Landlord's consent.

Halifax Regional Fire & Emergency (HRFE) has confirmed their requirement to continue leasing at 331 Pleasant Street, Fire Station 15, as an active 24 hour station. HRFE requested Corporate Real Estate (CRE) to negotiate a new lease agreement with the Landlord.

CRE has negotiated an agreement for a term of ten (10) years with an option to renew for an additional five (5) years. The agreement will include a twenty-four (24) month notice to quit for either party at any time during the term. The termination clause provides flexibility for both parties and provides HRM with a reasonable timeframe to find an alternate station location.

The annual rent for the original lease has been one (\$1.00) dollar plus HST per annum which has been invoiced by the Landlord and paid by HRM. The rent for the new lease has been negotiated to remain at one (\$1.00) dollar plus HST per annum.

All operating and capital costs are the responsibility of the Tenant including any applicable taxes levied on the property due to this lease agreement.

The proposed Lease terms and conditions negotiated and recommended by staff are outlined below in Table 1.

Table 1

KEY LEASE TERMS AND CONDITIONS	
Property Address	331 Pleasant Street, Dartmouth, NS (PID 00232801)
Landlord	Her Majesty the Queen
Tenant	Halifax Regional Municipality
Leased Premises	25,265 square feet, "as is, where is" condition
Rent	\$1.00 + HST per annum
Additional Rent	All operational and capital cost to be borne by the Tenant
Term	Ten (10) years, October 1, 2015 to September 30, 2025
Use	Operation of a Fire Station and administration
Commencement Date	October 1, 2015
Renewal	Five (5) years, on the same terms and conditions
Termination	Both parties have the option to terminate the Lease giving the other party twenty-four (24) months' notice in writing to quit.
Special Conditions	Upon termination the Lessee shall give vacant possession of premises, including any buildings or infrastructure constructed thereon.

FINANCIAL IMPLICATIONS

The annual rent for the leased premises is a commitment totaling \$1.00 plus HST per annum. The total commitment for rent under this lease is \$10.00 plus HST which will be paid as a onetime payment at the commencement of the lease from Operating Account F160-6911.

All operating and capital costs are the responsibility of the Tenant including any applicable taxes levied on the property due to this lease agreement, and shall be planned and incorporated into annual HRM budgets.

COMMUNITY ENGAGEMENT

Not applicable

ENVIRONMENTAL IMPLICATIONS

There are no known environmental implications.

ALTERNATIVES

1. Regional Council could decide not to enter into this lease agreement for the Fire Station. This is not recommended as there would be considerable cost to relocate an active fire station.

If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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