
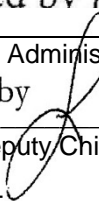


TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original signed by 
Richard Butts, Chief Administrative Officer
Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: September 15, 2015

SUBJECT: Cobequid Cultural Society

ORIGIN

North West Community Council, March 23, 2015;

Motion by Councillor Johns, seconded by Councillor Dalrymple:

That North West Community Council direct staff to provide the following transfer of funds from the Sackville Community Compensation Fund: ...

\$100,000.00 to the Cobequid Cultural Society upon successfully negotiating a long term lease agreement between the Cobequid Cultural Arts Society and the Halifax Regional Municipality (Halifax Transit) for the construction of an Arts and Cultural Centre on HRM owned land located at the intersection of Margeson Drive and Highway 101 in Middle Sackville.

Regional Council, August 4, 2015:

Motion by Councillor Johns, seconded by Councillor Walker:

That Halifax Regional Council request a staff report exploring the potential for a long term lease agreement between the Cobequid Cultural Society and the Halifax Regional Municipality (Halifax Transit) for the construction of an Arts and Cultural Centre on HRM owned land located at the intersection of Margeson Drive and Highway 101 in Middle Sackville.

LEGISLATIVE AUTHORITY

Subsections 63(1) and 63(2) of the Halifax Regional Municipality 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.

(2) A resolution to sell or lease property referred to in subsection (1) at less than market value shall be passed by at least a two thirds majority of the Council present and voting.

RECOMMENDATION

It is recommended that Halifax Regional Council direct staff to:

1. Request that a formal business plan be submitted by the Cobequid Cultural Society regarding their proposal to construct an Arts and Cultural Centre on HRM owned land; and
2. Evaluate the business plan provided by the Cobequid Cultural Society and report to Council regarding the proposal once the Cultural Spaces Plan is complete and the detailed design for the Transit Park and Ride project is more advanced.

BACKGROUND

In October 2008, the subject HRM property, PID 41287137, was acquired by the Municipality for the planned Highway 101 interchange, the southward alignment of Margeson Drive, and a future Halifax Transit Park & Ride facility in Middle Sackville. The 8.46 hectare (21 acre) property was acquired for a purchase price of \$3,500 per acre (\$73,500, plus HST and closing costs). The interchange was constructed, and the section of Margeson Drive between the interchange and Highway No. 1 was completed, north of the subject property.

In August 2010, a 1.31 hectare (3.2 acre) portion of the subject property was conveyed to the Nova Scotia Department of Transportation and Infrastructure Renewal (NSTIR) for the Interchange, as HRM and NSTIR had previously agreed on a cost sharing approach to the development of this new highway interchange, and deeding over portions of land that were to be under the control of NSTIR as part of the agreement, at full cost recovery to HRM. The alignment of Margeson Drive south of the interchange is in the final planning stages; however, a section fronting the new Indigo Shores Development is presently being built.

The construction of a transit park and ride lot is in Halifax Transit's preliminary work plan for fiscal 2019/20. A conceptual site plan for the Halifax Transit Park & Ride is shown as Attachment A of this report.

In March 2014, the Cobequid Cultural Society (CCS) made a written request (see Attachment B) to the area Councilor for a Lease for approximately 1.5 acres of the HRM parent parcel planned for the Halifax Transit Park & Ride (see Attachment C). The 1.5 acres would be the residual lands following the construction of the Park & Ride facility. CCS's request is to facilitate their construction of a proposed new Arts Centre for the visual and performing arts on the 1.5 acre site. The Centre's parking requirements would be met through a joint use of the Halifax Transit Park & Ride lot and would also be accessed via the transit parking lot.

Following a general staff review the consensus was that the residual portion of the property is surplus to transit requirements. This report explores the availability of the lands and the potential for joint use of the transit parking lot once constructed.

DISCUSSION

The Cobequid Cultural Society (CCS) is a non-profit, registered charity that brings the residents of the northwest area of HRM and surrounding communities together in support of the arts. CCS is proposing to establish a state of the art visual and performing arts center, which would include:

- 600 seat performance theatre, rehearsal space, convention hall, art gallery, recording studios and multi-purpose community rooms;
- the building would be 58,000 square feet; the theater component would be 21,800 square feet;
- the building would require 1.5 acres of land, inclusive of septic field and parking (see Attachment C)
- the 1.5 acres proposed is the residual lands following the construction of the Park & Ride facility;

- CCS's request is to facilitate their construction of a proposed new Arts Centre for the visual and performing arts on the 1.5 acre site;
- the Centre's parking requirements would be met through a joint use of the Halifax Transit Park & Ride lot and would also be accessed via the transit parking lot; and
- Use of 250 park and ride spaces that would be utilized during the evenings and weekends, which is considered off-peak by Halifax Transit.

To that end CCS is seeking a long term land lease agreement with HRM and a partnership opportunity with Halifax Transit for shared use of the proposed future Park & Ride facility. As a result, Regional Council directed that staff explore the potential for a long term lease for the use of land by the CCS. The proposal to enter into a long term lease with the CCS can be considered since the Charter permits HRM to enter in a below market lease with a non-profit organization that the Council considers to be carrying on an activity that is beneficial to the Municipality. If Regional Council is satisfied that the proposal outlines clear community benefits, both in terms of the opportunity for parking efficiencies as well as cultural programming, the requirements of the *HRM Charter* will have been met.

Staff feels that more information is required before it can make a recommendation regarding the CCS's request.

Transit Considerations

Halifax Transit has completed a preliminary conceptual layout for the Park & Ride in this location. Additional design and engineering work is still required prior to proceeding with construction. The construction of the Park & Ride is included in the 2019/20 Capital Project Plan. The proposed parking lot configuration includes 500 spaces as well as bus circulation areas. Although the parking lot covers the majority of the site, there is some land in the north east portion of the site that would not be required for parking, as shown on Attachment A. Where the project is tentatively scheduled for construction in approximately four years, there is risk with respect to exact timing of the delivery of the project.

Halifax Transit anticipates that the Park & Ride will be utilized primarily during weekday business hours, with minimal parking in evenings or on weekends. As such, it may be possible to enter into a joint use agreement for the parking lot to allow additional parking outside of transit service hours. However, more information is required from CCS regarding the business model and events/programs that will be offered to determine if the uses are compatible.

While there may be some synergies for the joint use of the parking itself, the co-location of the Park & Ride facility and the CCS building may limit expansion requirements for one or both in the future and should be considered.

Cultural Spaces Considerations

Regional Council has directed staff to complete two initiatives related to the provision of and support to cultural facilities and programming. The Cultural Spaces Plan will provide an inventory of all cultural spaces and potential partners and service delivery models. The Cultural Spaces Plan will form a subset of the overall Cultural and Heritage Priorities Plan and together they will provide strategic direction for the required investment, resources and decision-making processes related to provision of cultural facilities and programming in HRM.

Lease Considerations

Currently there is not sufficient information or assessment of the need and market to recommend entering into long term land arrangement with CCS for the intended purposes. Should Council decide to consider the CCS proposal further it is recommended that a formal business plan submission be requested from CCS. Normal practice would be for the submission to set out:

- a needs assessment of the cultural sector, complimented by a gap analysis of existing infrastructure;
- an analysis on the impact the proposed arts center may have on the other existing arts and culture performing venues, as well as future venues;
- the name, composition and legal status of the group, its purpose and management structure, including office-bearers;
- the nature of the activities proposed;
- a financial statement;
- a business plan for the first ten years;
- and a clear statement of the terms the group is prepared to offer for the purchase or lease of the property.

The CCS's submission would be evaluated for content compliance, viability, compensation, and for benefit to the Municipality. Staff would report to Council on the submission received and the evaluation by staff.

A detailed submission by CCS would position staff better to review and advise Council with respect to the following:

- revenue and tax implications of a market or less than market lease;
- access or easement agreement to leased lands;
- details of the proposed joint use of the Park and Ride parking lot; and
- default and exit strategy for that addresses the built infrastructure and operation upon default or termination by CCS to mitigate any financial exposure to the municipality for operation and/or sale or demolition of the asset.

Council may determine the submission be considered on the basis of that Council considers the non-profit organization to be carrying on an activity that is beneficial to the Halifax Regional Municipality.

Council will also consider the overall context of the disposal, including:

- the market value of the property;
- the benefit of any cost saving to the Municipality;
- the consequences, beneficial or otherwise, to the community or the municipality as a whole;
- the beneficial considerations of any submission against the benefit to the Municipality of retaining or selling the property at market value.

FINANCIAL IMPLICATIONS

Financial Implications relating to any long term lease agreement will be considered as part of the business plan evaluation.

COMMUNITY ENGAGEMENT

A public hearing would not be required for a less than market lease.

ENVIRONMENTAL IMPLICATIONS

There are no environmental impacts associated with this report.

ALTERNATIVES

Regional Council could consider declaring the land surplus to municipal needs and disposing of it through Administrative Order 50.

ATTACHMENTS

Attachment A Transit Park & Ride Conceptual Site Plan
Attachment B Letter from Cobequid Cultural Society
Attachment C Proposed Theatre Site Plan

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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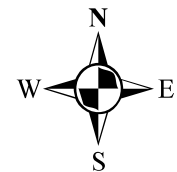
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Report Approved by: Jane Fraser, Director, Operations Support
Eddie Robar, Director, Halifax Transit
Brad Anguish, Director, Parks and Recreation

ATTACHMENT 'A'

- Less Than Market Lease -
Portion of PID 41287137
Highway #101 & Margeson Dr.
Sackville, NS

SITE PLAN



Portion of PID 41287137
Area: Approx. 386,967 sq. ft.
Zoning: M U-2

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: June 10, 2015
Prepared by: E. Wall

Cobequid Cultural Arts Society Attachment B

Less than Market Lease – Hwy. 101 & Margeson Drive



COBEQUID
CULTURAL
SOCIETY

March 31, 2014

To: Councillor Brad Johns

Re: Metro Transit proposed Park & Ride Middle Sackville

As requested, we are preparing this document to outline our interest and plans as they pertain to the above mentioned property.

The Cobequid Cultural Society (CCS) is a non-profit, registered charitable organization that brings the people of the Northwest area of Halifax Regional Municipality and surrounding communities together in support of the arts. CCS proposes to establish a state of the art visual and performing arts centre. Some of the highlights demonstrated in the architectural renderings include a 600 seat performance theatre, rehearsal space, a convention hall, art gallery, rehearsal & recording studios, multi-purpose rooms for community use. It is our intention that this facility becomes the hub of this community, promoting culture and the arts in all genres and age participation.

We see an opportunity for a partnership with Metro Transit and the proposed Park & Ride in Middle Sackville. The location and the land would be ideal for our new Arts Centre. Our building requirements include a parking lot for 250 spaces that will be filled nights & weekends, and open for Metro Transit customers during the week. We would also have amenities to offer that would be available to commuters. To that end, we see great potential in the combined partnership of CCS and Metro Transit to provide valuable services and accessibility to the residents and businesses in Northwest HRM, while enhancing the surrounding community.

The building will be 58,000 square feet, as it is designed now, on 1.5 acres of land. The actual theatre requires 20,800 square feet, the rest of the structure could be designed around it based on the grading of the land. We look forward to the opportunity to share our vision in person.

Best regards,

Don Flemming

President - Cobequid Cultural Society

Email: donflemming@eastlink.ca Phone: 902-441-4660

Attachment C

Less than Market Lease - Hwy 101 & Margeson Drive

Proposed Theatre Site Plan

