

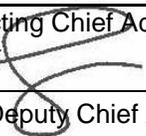


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Item No. 14.1.3
Halifax Regional Council
August 2, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

John Traves, Q.C. Acting Chief Administrative Officer
Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: July 9, 2016

SUBJECT: **Herring Cove Treatment Plant Community Integration Fund and Land Disposal Preparation Update**

ORIGIN

September 9, 2014 – Recommendation to Regional Council that a defined portion of 30 Latter Pond Lane (PID No. 40000051) be declared surplus pending sub-division of the parent parcel and demolition of the former fire station prior to disposal through the Community Interest category of Administrative Order 50. The recommendation also included an abutting remnant parcel (PID No. 40000069) to accommodate an encroachment. A decision was deferred pending a staff report in regard to potential funding from Project Number CPX01328 – New Parks and Playgrounds.

January 27, 2015 – Supplementary Information Report to Council detailing the status of the capital projects funded under Project Number CPX01328.

February 3, 2015 – Regional Council declared 30 Latter Pond Lane, Herring Cove and PID No. 400000069 surplus and approved disposal through the Community Interest category of Administrative Order 50.

LEGISLATIVE AUTHORITY

- *Policy for Expenditures from Community Integration Funds (2004).*
- *HRM Charter (2008) s.61 and 63 respecting the Municipality's powers with regard to real property.*
- *Administrative Order 50 Respecting Disposal of Surplus Real Property.*

Recommendations on page 2....

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve discontinuation of the proposed Hospital Park Trail and Latter Pond Park projects due to an inability to proceed as approved and use the balance of \$347,165 located in Project Account CPX01328 – New Park and Playgrounds on another project, or projects, located in the Herring Cove community to be determined; and
2. Repeal the *Policy for Expenditures from Community Integration Funds (2004)* included as Attachment 1 of this report.

BACKGROUND

With construction of the new Herring Cove Fire Station which was substantially completed in March 2011, the former station with attached community hall was no longer required for a municipal purpose. In September, 2014, a defined portion of 30 Latter Pond Lane containing the vacant building and an abutting remnant of land (PID No. 40000069) were circulated for review for potential disposal through Administrative Order 50. A decision was deferred pending confirmation of the possibility of re-directing funds intended for trails and park development under the Herring Cove Treatment Plant Community Integration Fund towards repairs and upgrades to the former community hall¹. A Supplementary Information Report, dated January 12, 2015, outlined the challenges associated with completion of the Hospital Park Trail and Latter Pond Park, and options for Regional Council's consideration in regard to funds held in Project Number CPX01328 – New Parks and Playgrounds. On February 3, 2015, Council declared the subject properties (PID No. 40000069 and PID No. 40000051) surplus to the Municipality's operational requirements, subject to subdivision required for the new fire station, and approved consideration of a less than market value sale under Section 4(e) Community Interest category of Administrative Order 50.

Any municipal expenditure in relation to 30 Latter Pond Lane, Herring Cove, is outside the scope of Administrative Order 50. Therefore, to provide clarity for both proponents and staff, Council direction in regard to prior capital commitments under the Community Integration Fund is requested in advance of any public Call for Submissions to acquire title to the subject property.

DISCUSSION

Herring Cove Treatment Plant Community Integration Fund Capital Projects

The potential re-allocation of funds to repair or enhance the former community hall relies upon the status of the two recreational projects that were to have been funded from CPX01328 – New Parks & Playgrounds. As noted in the Supplementary Information Report to Council dated January 12, 2015, the original concept for the Hospital Point Trail cannot be implemented at this time and the Latter Pond Park project is only partially complete due to an inability to acquire the necessary land. While the creation of a loop trail connection to and through Provincial Crown lands remains a desirable goal, the challenge in acquiring land has resulted in holding these funds in abeyance since 2010-11. Due to challenges completing the above noted projects staff recommends that the Hospital Park Trail and Latter Pond Park Projects be discontinued and a balance of \$347,165 be used on another project, or projects, in the Herring Cove community.

Policy for Expenditures from Community Integration Funds (2004)

¹ Minutes, September 9, 2014, p.4 and February 3, 2015, p.15.

Community Integration Funds were established under the former Harbour Solutions Project to recognize communities hosting a sewage treatment plant. Expenditures from the Fund were approved by Regional Council through the regular budget process with input from Community Liaison Committees². These committees no longer exist. Consequently, Council's direction is required to remove the current requirement that a Community Liaison Committee make recommendations to Regional Council in regard to capital projects to be funded under the Herring Cove Treatment Plant Integration Fund and repeal the expenditures policy of 2004 included as Attachment 1 of this report.

Typically, recipients of a less than market value property sale self-fund new construction, repairs, upgrades and enhancements or make separate application to a designated funding source, including private sector financing, government grant programs, or charitable foundations. For clarification, any request for capital funding from the balance of the Herring Cove Treatment Plant Community Integration Fund received under the Call for Submissions process in regard to the potential disposal of 30 Latter Pond Lane, Herring Cove, will be noted in the report to Regional Council but any decision would be through a separate application and evaluation process following the public hearing.

Disposal Preparation Update

Sub-Division and Consolidation: In the normal course of operations the demolition of the former fire station would have been undertaken in concert with or immediately following the construction of the new facility in 2011. Because demolition was deferred HRM now has two buildings on one parcel of land. To convey title to a portion of the property, the parent parcel must be sub-divided and registered. The abutting remnant must also be consolidated to form one 'new' parcel of land to which a property identification number (PID No.) and assessment account number (AAN No.) can be affixed. A new plan of survey must be completed and submitted to the Nova Scotia Land Registry. The cost of sub-division and lot consolidation, including a plan of survey, is to be paid by HRM. This process is led by Corporate Real Estate assisted by Legal Services. The proposed plan of survey is included as **Attachment 2** of this report.

Shared Service Easement: The former fire station and community hall annex share underground infrastructure for water, sewer, and wastewater services. A shared service easement will be required between HRM and a new owner.

Road Access to the Property: The subject property does not have deeded access. The premises must be accessed over land owned by the Province of Nova Scotia (PID No. 40000077). In 2011, the Province granted HRM an Access and Utility Easement in relation to Fire Station No. 60 which is non-exclusive and may be assigned by either party. As such, HRM has the option to sell a portion of these rights with any sub-division and sale of the subject property.

Demolition: As noted in the Supplementary Information Report dated January 12, 2015, a building inspection conducted in 2007 deemed the former fire bay to be structurally unsafe and not compliant with the National Building Code of Canada.

Next Steps: With clarification in regard to prior capital commitments under the Community Integration Fund, a proposed plan of survey and confirmed access to the subject property, the formal Call for Submissions can be completed and advertised. The procedure for disposal will follow Section 4(e) of Administrative Order 50.

² In 2010, the Herring Cove Advisory Steering Committee was established to provide advice to the Western Region Community Council in regard to water/sewer development, a new fire hall, related recreation and community services, Latter Lake Park development and breakwater improvements. Final Report from the Herring Cove Advisory Steering Committee to Western Region Community Council dated May 16, 2012.

FINANCIAL IMPLICATIONS

Project Number CPX01328 – New Parks & Playgrounds		
Committed funds:	Hospital Point/Latter Pond Park	\$300,000
	Community Integration Fund Balance	<u>\$ 47,165</u>
Balance		\$347,165

Budget availability has been confirmed by Finance.

RISK MANAGEMENT

Low. This report addresses internal procedural matters.

COMMUNITY ENGAGEMENT

Administrative Order 50 requires a public information meeting regarding the Call for Submissions to acquire title to 30 Latter Pond Lane, Herring Cove, and the *HRM Charter* mandates a public hearing be held to consider a less than market value sale for property valued at \$10,000 or more.

ENVIRONMENTAL IMPLICATIONS

To date, there has been no environmental testing conducted of the subject property.

ALTERNATIVES

1. Regional Council could elect to retain the funding in Account CPX01328 – New Parks and Playgrounds and direct staff to continue with the proposed Hospital Park Trail and Latter Pond Park projects. However, as noted, site and ownership constraints have caused an inability to proceed as approved.
2. Regional Council could elect to defer staff's recommendations until after the AO50 disposal process has concluded and any community funding requests to support the disposal are known.
3. Regional Council could elect not to repeal the Policy for Expenditures for Community Integration Funds.

This alternative is not recommended on the basis that the policy addressed primarily small operating expenses incurred by Community Liaison Committees (office supplies, advertising etc.) and is essentially moot in that regard. The Committees have not operated for in excess of ten (10) years and Council's approval process for any capital expenditures parallels that of the standard approval process, including a report prepared by HRM staff.

ATTACHMENTS

Attachment 1 - Policy for Expenditures for Community Integration Funds, Recommendation Report to Regional Council dated May 18, 2005.

Attachment 2 - Proposed Plan of Survey (July, 2016). Note: minor changes may be made prior to final approval by HRM Development Services.

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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Harbour Solutions

Policy for Expenditures from Community Integration Funds

Basic Principles

Community Integration Funds (CIFs) have been established for each community hosting a Harbour Solutions' Sewage Treatment Plant (STP). Funds are spent to integrate the STPs into their host communities as determined by the residents of those communities through their CLC. The CLC seeks Council approval of the proposed expenditure. All expenditures will follow HRM Procurement policies.

Budget

CIF budgets have been approved by Council as follows:

Halifax (CSE00396)	\$1 Million
Dartmouth (CSE00397)	\$1 Million
Herring Cove (CSE00398)	\$5 Million

Policies

Capital expenditures recommended by CLCs will be brought to HRM Council for approval in a report prepared by appropriate HRM staff. This process parallels that of any other capital project approved by Council during the year.

Operating expenditures may be pre-approved at the aggregate level by Council or approved individually in exceptional circumstances.

All purchases will follow HRM guidelines, regulations and procurement policies.

Pre-approved operating expenses such as general office expenditures will be arranged through the Harbour Solutions office for the CLC. This will ensure that HRM's favourable pricing will apply to such items as office supplies and newspaper ads, non-recoverable HST is minimized, and that an audit trail will be maintained. Expenses will be charged to the appropriate internal order for each community integration fund.

Original receipts will be required for all expenditures. Any receipts for which reimbursement is sought will be submitted in a timely manner. No advances will be issued. Requests for payment and reimbursement should be signed by the Community Liaison

Committee as indication that the related good or service has been satisfactorily received and that the expenditure has been made in accordance with the approved purpose.

HRM has the capability to readily report on expenditures through SAP and will respond to reasonable requests for information.

The authority and responsibility for the administration of permissible expenses is that of HRM Financial Services.

This policy shall be reviewed after one year of implementation to evaluate its scope, relevance, and effectiveness. Responsibility for policy review and revision lies with HRM Financial Services.

