

DECLASSIFIED

Halifax Regional Council

April 23rd, 2002

IN CAMERA

May 14, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

L. James Hobin

James Hobin, Chair, HRM Grants Committee

DATE: April 9th, 2002

SUBJECT: **Property Sale: 116 Lakeview Road, Lakeview - Halifax Regional Search and Rescue**

PRIVATE AND CONFIDENTIAL

ORIGIN

In a letter dated August 24, 2000, Halifax Search and Rescue presented a business case to HRM Corporate Real Estate Services to purchase the HRM-owned property located at 116 Lakeview Road, Lakeview, for use as a search and rescue headquarters and training base. The sum of \$16,500 has been offered to purchase the property. The facility is currently leased by the group for \$1/year and the current lease is due to expire in June of 2001. Tax revenues are \$0.

The sale was recommended for approval by the HRM Grants Program but the public hearing intended for January 2002 was postponed pending negotiations with the Lakeview Residents Association. An amended proposal is now before Regional Council for approval.

RECOMMENDATION

It is recommended that Council approve:

1. Authorize the Mayor and Municipal Clerk to enter into an Agreement of Purchase and Sale whereby the property located at 116 Lakeview Road, Lakeview, be conveyed to Halifax Regional Search and Rescue for the sum of \$1 plus cost of sale expenses estimated to be, \$2,500, subject to the terms and conditions as set out in the Discussion section of this report.
2. Approve a public hearing date;
3. It is recommended that this report be immediately released to the public.

“PLEASE RETAIN FOR PUBLIC HEARING”

BACKGROUND

The property in question was formerly the Lakeview School which was declared surplus by the former Halifax County Municipality. In June of 1986, Halifax Search and Rescue entered a five-year lease agreement with an option to renew. The lease has been renewed twice (in 1991 and 1996) and the current agreement expired in June of 2001. An extension of the lease has been granted while the question of disposal of the property is under review.

In 1993, ownership of an adjacent building, formerly a one-bay fire hall belonging to the Windsor Junction Fall River Volunteer Fire Department, was annexed to the Lakeview property. First option to use the former fire hall was given to Halifax Search and Rescue as tenants.

There is currently no property tax collected on the property. However, if the title holder changes the property will become taxable at the commercial rate. As a registered charity, Halifax Search & Rescue would be eligible to apply for some degree of tax relief under the *Tax Exemption for Non-Profit Organizations Program* (By-law T-201) for 2002-2003. The zoning is P-1, Community Facility, and therefore re-zoning should not be an issue. An abutting property owner will be directed by HRM to remove a fence encroaching on the property prior to the closing date.

DISCUSSION

This surplus property was appraised in 2000-2001 by Fennel & Associates for \$104,000. The land itself is estimated to be valued at \$20,000-\$35,000; the building structure (a former school) was condemned and any inherent value in the building is a function of the investment made by the current tenant. For the duration of their lease Halifax Search and Rescue have made capital improvements¹ to the building and site; all on-going facility operating costs have also been paid by the tenant as per the terms of the lease.

The business proposal submitted by Halifax Search and Rescue demonstrates good planning with (a) a review of property values of comparable size in the vicinity of the Lakeview Road site, (b) demonstrated compliance with the terms and conditions of the lease agreement, (c) enhancements to the building, (d) the tenant has demonstrated the financial ability to operate the facility, and (e) an agreement for facility access under the auspices of the Lakeview Homeowners Association.

Halifax Search & Rescue want to build an addition to the building to house a \$130,000 mobile command centre. Staff are satisfied the organization can upgrade the building and assume operational costs independent of the municipality. Additional revenues are anticipated for storage of an RCMP command trailer to be stored in a secured bay. Should the group acquire the property, taxes would be payable at the commercial rate but application can be made to the *Tax Exemption for Non-Profit Organizations Program* for 2002-2003. Currently, there are no tax revenues generated through a lease arrangement.

Key Terms and Conditions:

Cost of Sale Recovery:

HRM Real Estate Services shall be compensated for any expenses incurred in appraisal fees, legal fees, or site survey as applicable. There shall be no cost for staff labour.

¹ New roof, vinyl siding, a new furnace, kitchen, and addition of a garage.

Right of First Refusal:

In the event that the project does not proceed as intended, or that the operations of the Halifax Search and Rescue cease, HRM shall have first right of refusal to re-acquire title to the property for \$1, excluding any reasonable reimbursement of fees, capital costs or property enhancements less depreciation.

Fence Removal:

Prior to the transfer of title to the property HRM Real Property Services shall oversee the removal of an encroaching fence erected by an abutting landowner.

Property Taxes:

Municipal property taxes shall be payable as per the assessment value and municipal tax rate. Any reduction in property tax shall be applied for under By-law T-201. There shall be no retroactive application of property tax concession as per By-law T-201.

Zoning Amendment:

It is anticipated that no re-zoning shall be required.

Public Consultation:

A public hearing before Regional Council shall be required.

COMMUNITY IMPACTS

Enhanced independence of operations for local Search & Rescue organization with community access.

BUDGET IMPLICATIONS

A reduced operating expense and liability on the part of the Municipality (insurance, administration, capital repairs) and a change to taxable property status - commercial.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

If sold, 116 Lakeview Road will revert to a taxable property. The conversion of HRM-owned leased properties to independent status resulting in a long-term saving to the Municipality in terms of insurance, capital upgrades, administrative costs, and lost tax revenues.

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any other relevant legislation.

Under Section 51 of the MGA any sale of property for less than market value, exceeding \$10,000, must have the approval of two-thirds of Regional Council's voting members present. A public hearing is also required.

ALTERNATIVES

Regional Council could:

1. Retain the property under a renewed lease;
This option is not recommended because further capital upgrades are required at the site to house

a mobile command centre. This is not an expense that HRM would assume. Having title to the property will enhance the volunteer group's ability to secure financing using the equity in the property as security.

2. Sell the property on the open market and invite competing bids.

This option is not recommended. Halifax Search and Rescue provides an important service which enhances HRM's emergency response capacity and complements the work of HRM Police Services, HRM Fire & Emergency Services, and HRM Emergency Measures.

3. Sell the property to Halifax Search and Rescue for the sum of \$16,500 to reflect the low-end land value only, plus cost of sale.

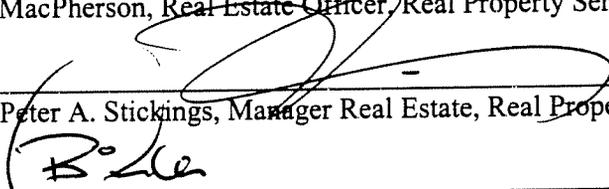
This option is not recommended. The Lakeview Homeowners Association object to HRM realizing any revenues from the sale of the building given their past investment of funds and "sweat equity". The Association would prefer to see Halifax Search and Rescue's funds directed towards facility improvements and operations which are a valued service to the local community and of apparent public benefit.

ATTACHMENTS

1. Letter dated August 24, 2000 from Mr. Brian Russell, Chief Director, Halifax Search and Rescue to Mr. Barry Manuel, HRM Emergency Measures Organization.
2. Review team scores and recommendation.
3. Site plan and photographs.
4. Memorandum of Understanding Between the Halifax Search and Rescue Team and the Lakeview Homeowners Association, March, 2001.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peta-Jane Temple, Coordinator, Grants Program 490-5469 and Brenda MacPherson, Real Estate Officer, Real Property Services 490-5935


Peter A. Stickings, Manager Real Estate, Real Property Services 490-7129


Bruce Fisher, Manager Financial Planning, Financial Services 490-4493

TOM RATH



HALIFAX

Regional Search and Rescue

116 Lakeview Rd., Lakeview, N.S. B4C 4C7

Emergency Measures Organization
Halifax Regional Municipality
1841 Argyle St.
Halifax, Nova Scotia
B3J 3A5

Attn.: Barry Manuel

August 24, 2000

COPY

Dear Barry:

Re: Halifax Regional Search & Rescue Proposal

Find attached 2 copies of HRSAR's proposal to purchase the property at 116 Lakeview Road. It would be appreciated if you would forward one copy to Corporate Real Estate Services for their feed back prior to having this presented at Council.

As you are aware, our current lease expires in June 2001 and I would like to have our proposal to purchase this property resolved prior to the lease expiration, in fact I personally would like to see this issue before Council this fall.

Please review this document and call me if you have any concerns or questions. Thanks once again for your support.

Yours truly,

Brian Russell
Chief Director
Halifax Regional Search & Rescue

Hfx. Reg. Municipality
Emergency Measures

AUG 24 2000

RECEIVED

ATTACHMENT 2.

Members of the Property Development and Community Facilities Review Team and the Councillor for the area met on September 11th, 2001 to score the application, discuss options, and to form a recommendation for Regional Council's approval.

Table 1. Review of Proposal: Halifax Search & Rescue		
Reviewed By	Score	Comments
Peter Stickings Real Property Services	87	
Peta-Jane Temple Grants Program	110	Refer to By-law T-201 property tax. Not retroactive to date of purchase. Group has budgeted for 6 months tax.
Brenda MacPherson Real Property Services	100	Fence on property to be removed before sale. Corporate Real Estate to initiate action.
Councillor Gary Hines	102	Search & Rescue intend to maintain long-term occupancy. Desire to proceed with facility improvements and to be close to the training area.
Total (Average score out of possible 100 + 10 bonus points)	99.75	Recommend Approval

Map User: WALLE
01-OCT-2001
REGION OWNED
Real Estate Plot

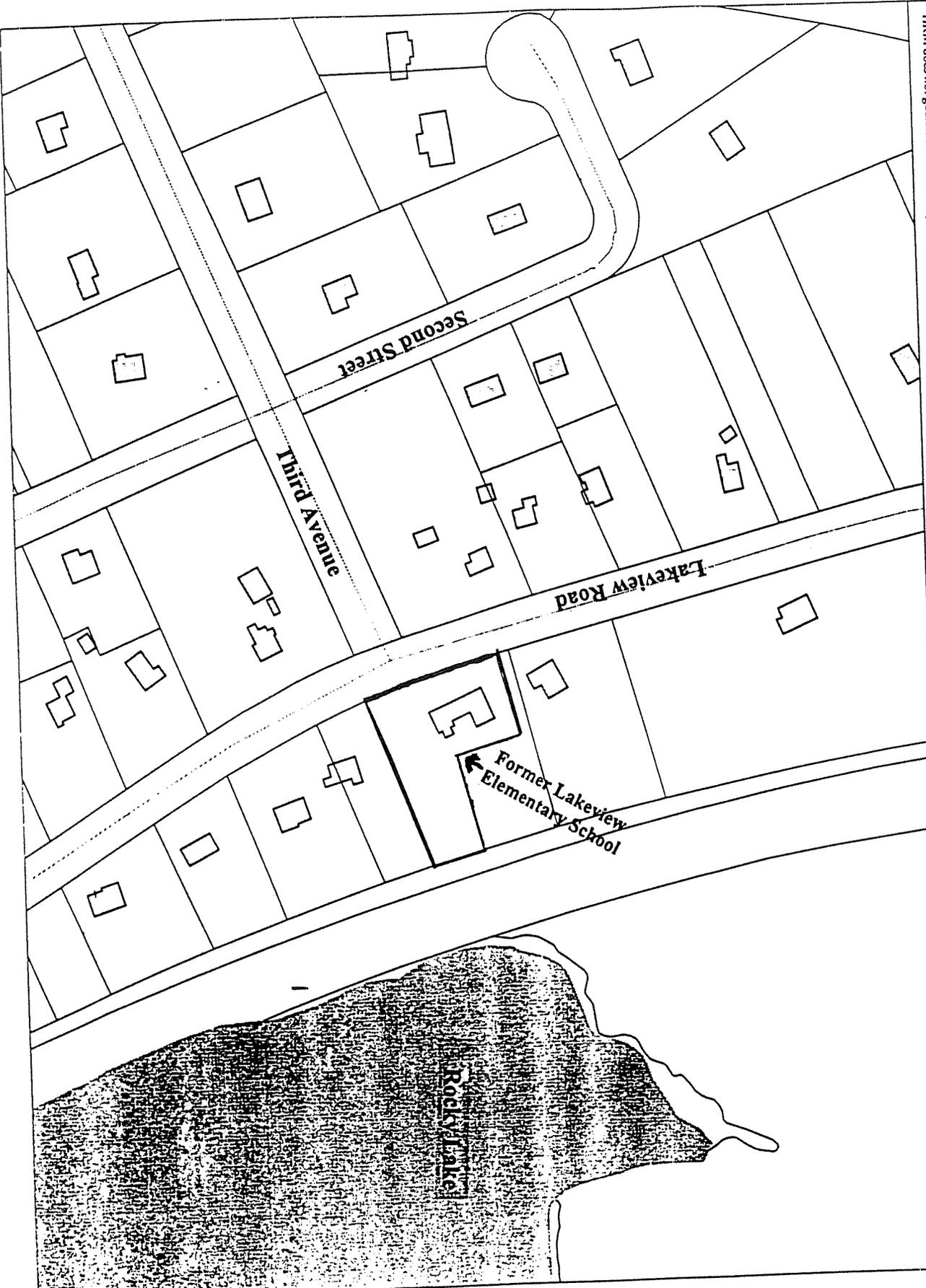
116 Lakeview Road, Lakeview

This plan was prepared for the internal purposes of Halifax Regional Municipality (HRM).
HRM does not guarantee the accuracy of any representation on the plan.

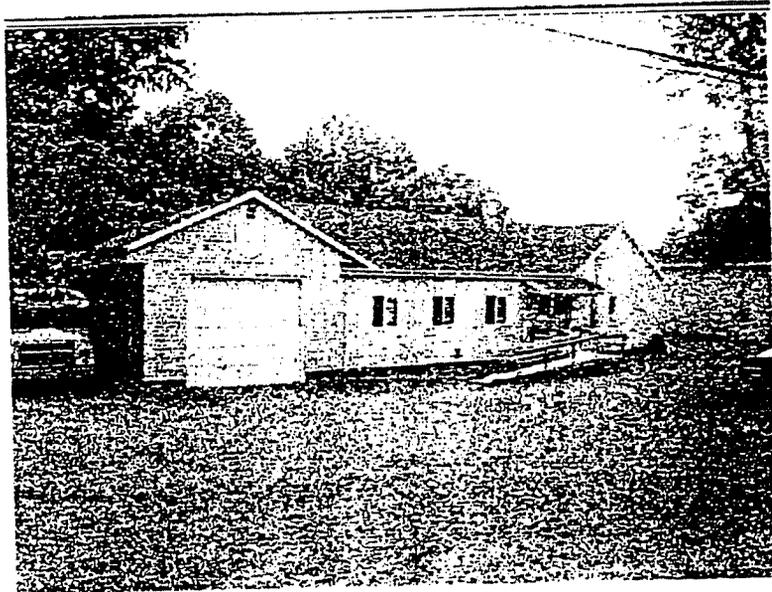
Attachment 3

Page 1

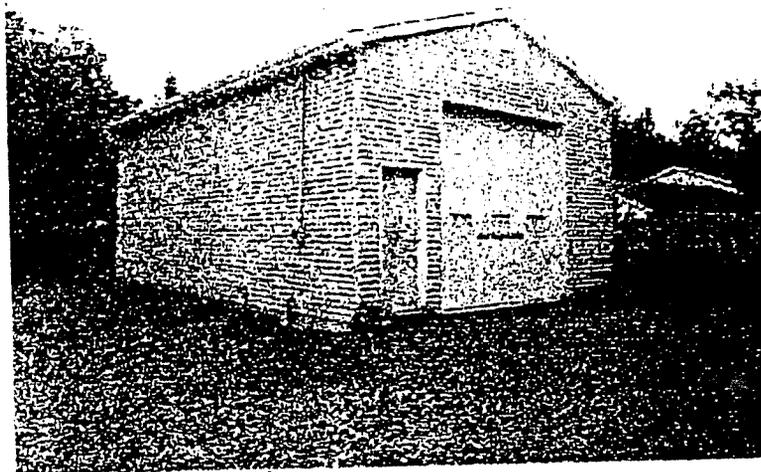
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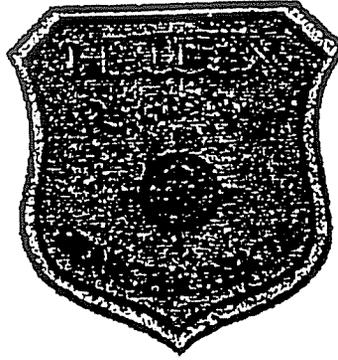
ATTACHMENT 3
116 Lakeview Road, Lakeview
SITE PHOTOGRAPHY



Front view of subject property



View of detached Garage on subject property



Memorandum of Understanding

Between the

Halifax Regional Search and Rescue Team

and the

Lakeview Homeowners Association

**for the utilization of the building facilities
located at 116 Lakeview Road, Lakeview NS**

I. PREAMBLE

The Halifax Regional Search and Rescue Team (hereafter referred to as H.R.S.A.R.) recognizing the need to foster good public relations and to help give something back to the community in which it resides, realizes the importance of the community of Lakeview in having access to a public meeting place. It is our desire to work with the members of the Lakeview Homeowners Association recognizing them as the spokes group for the community of Lakeview.

In order to assure access to the H.R.S.A.R. property and building facilities by the members of the Lakeview Homeowners Association for meetings, special events, float construction, or for such other mutually-agreed upon purposes as may, from time to time arise, the H.R.S.A.R. and The Lakeview Homeowners Association (hereafter referred to as the L.H.A.) have elected to enter into this Memorandum of Understanding.

In addition to this Memorandum of Understanding, it may be necessary for H.R.S.A.R. and L.H.A. to enter into other arrangements or understandings related to the use of the building facilities, property, or right-of-ways, which would be beneficial to both parties. These agreements may take the form of Letters of Agreement, or Understanding, or form an ANNEX to this M.O.U.

II. BACKGROUND

H.R.S.A.R. - The Halifax Regional Search and Rescue Team is a volunteer, registered charitable organization formed in 1972 to find lost or injured persons in the woodland areas of the Province of Nova Scotia. There are about 130 members on the team from all walks of life. No one receives any pay for the work that we do. Our coverage area is from the middle of Porter's Lake to the middle of St. Margaret's Bay and up to the county line. When not actively searching for lost subjects, the team meets for training on Monday nights. We also teach Woodsproofing courses to various youth organizations within our coverage area showing them how not to get lost in the woods or if they do, how to survive and increase their chances of being found. We have reached over 30,000 children so far.

The H.R.S.A.R team falls under the umbrella of the Provincial Emergency Measures Organization. We, and the 24 other search teams in the province, have formed the Nova Scotia Provincial Ground Search and Rescue Association. This group, in conjunction with EMO, has set down the provincial training standards to which we all subscribe. The teams are called into action by the local Police Authority or by EMO.

The team originally formed out of members of the Waverly Fire Department and until 1986 resided in the Waverly Fire Hall. It was at this time that both the team and the fire department realized that there was not enough room for both organizations in the same building. There was a parting of ways as the Waverly Ground Search and Rescue Team took up residence at 116 Lakeview Road. This was an office of the Department of Education for this area and was about to be bulldozed to the ground. Some quick negotiation with the then County of Halifax allowed the team to lease this property for next 5 years with an automatic renewal. The team is responsible for the repairs and maintenance of the building.

The team raises its own funds through donations, bingos, ticket sales and other fund raising efforts. It receives a small grant each year from EMO.

L.H.A. - The community of Lakeview was established in 1891. In 1984, the Ratepayers Association of Lakeview was legally incorporated with the goal of "Uniting and Planning within the Community", representing the interests of over 150 households. In 1992, the ratepayers association was amalgamated into the Lakeview, Windsor Junction, and Fall River Ratepayers Association and the Lakeview Homeowners was then formed and incorporated. The association has been the voice of the community for many social, political, and recreational concerns.

The primary building on the property currently occupied by the H.R.S.A.R. was originally built as the Lakeview School in 1931 and has served as a focal point in the community since that time. The association played a major role in the construction of the fire bay on the property and the community supplied all of the manpower required to erect the building. Thus, the association, and the community at large, has a vested interest in the long-term management and development of this property.

III. PURPOSE

The purpose of this document is to state the terms of understanding between H.R.S.A.R. and the L.H.A. relating to the utilization of the property and building facilities of H.R.S.A.R. and right-of-way for access to the Rocky Lake trail system.

IV. BUILDING USAGE

The following paragraphs outline the terms of use of the building facilities granted to the members of the L.H.A. by H.R.S.A.R.

1. The president of the L.H.A. or his/her designate will receive a front door key, a list of emergency contacts, and a building usage guide.
2. Access is only granted for use of the Main Classroom and washroom area. All other areas are locked and alarmed.
3. Use of the kitchen facilities is by special arrangement with the Executive of H.R.S.A.R.
4. Use of the garage for float construction and storage is by special arrangement with the Executive of H.R.S.A.R.
5. All building usage dates must be booked in advance with the Administrative Director. Not all dates may be available. H.R.S.A.R. will try and accommodate all reasonable requests.
6. The building is not available for use on Monday evenings after 6:30 PM as this is a regular weekly training night.
7. It is to be noted that any function held by L.H.A. on the premises of H.R.S.A.R. may be temporarily interrupted while Search and Rescue personnel respond to an emergency.
8. A vehicle owned by an L.H.A. member is not to be parked in front of the garage doors unless said member is present within the building and can move his/her vehicle if an emergency call comes in.

9. The building should be left in a clean condition with any garbage placed in the receptacles provided.

V. PROPERTY USAGE

The following paragraphs outline the terms of use of the property granted to the members of the L.H.A. by H.R.S.A.R.

1. Parking is available on the grounds for all L.H.A. events except as noted in IV (8) above.
2. Community access to the Rocky Lake trail system is granted to members of the community via the pathway located at the rear of the new garage.
3. H.R.S.A.R. assumes no responsibility for injuries or damage incurred while using the pathway to the Rocky Lake trail system. The community may use it at their own risk.
4. There is no winter maintenance on the pathway.
5. Loitering is not permitted on the property owned by H.R.S.A.R.

VI. RESPONSIBILITIES

Representatives from H.R.S.A.R. and L.H.A. agree to meet at least bi-annually to facilitate open communication and discuss any concerns that may arise.

VII. INSURANCE AND LIABILITY COVERAGE

H.R.S.A.R. and L.H.A. agree that use of the property as a right of way to gain access to the Rocky Lake Trail System is at your own risk, and by using said right of way you will be deemed as having accepted such risk.

VIII. OTHER MEMORANDA OF UNDERSTANDING

An MOU with the Lakeview Heritage Society?

H.R.S.A.R. may, at its discretion, activate other MOUs. However, such activation will be initiated with consideration to the needs of the community members of Lakeview.

IX. EFFECTIVE-DATE, AMENDMENT, AND TERMINATION

This MOU becomes effective on the date of the later signature.

This MOU will remain in effect until terminated. Either party wishing to terminate this MOU will submit a written notification to the other 60 days in advance of the desired termination date.

X. ACCEPTANCE OF UNDERSTANDING

(Signed) *Ian Duncan*

Ian Duncan,
Chief Director
Halifax Regional Search and Rescue
(H.R.S.A.R.)

(Signed) *James Duncan*

James Duncan,
President
Lakeview Homeowners Association
(L.H.A.)

Date MARCH 16th 2001

Date 31 March 2002