

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: January 16, 2018

SUBJECT: **Bloomfield Property Process Update**

INFORMATION REPORT

ORIGIN

This report originates with:

- August 15, 2017 (deferred from June 13, 2017), Item 9.1 Bloomfield Property Disposal Process, whereby Regional Council approved the following Motion:
 - That Halifax Regional Council:
 1. Categorize the Bloomfield property as Inter-governmental pursuant to Administrative Order 50 (AO50), and direct staff to negotiate the sale of a portion of the property (as shown in green on the plan [attached to the report dated May 23, 2017]) to the Province for a new school site at fair market value as supported by appraisal to be commissioned by Halifax Regional Municipality (HRM). The Province shall have 120 days from the date of written notice from HRM to enter an Agreement of Purchase and Sale for the property. In the event the Province declines the opportunity, the land shall be categorized as Economic Development and disposed of pursuant to AO50;
 2. Categorize the balance of the Bloomfield property (as shown in blue on the plan [attached to the report dated May 23, 2017]) as Economic Development pursuant to AO50, and direct staff to consult with Imagine Bloomfield to incorporate key elements and principles of the Bloomfield Master plan as terms and conditions of any sale, specifically including:
 - I. A minimum of 10,000 square feet of commercial market space, targeted to creative industry;
 - II. A minimum of 20,000 square feet of affordable community and cultural space;
 - III. A minimum of 20 percent of the site as open space, public and private; and,
 - IV. That the Fielding Building be considered as the site for any cultural hub component.
 3. Explore the potential to reinstate Bloomfield Street (as shown in yellow on the plan [attached to the report dated May 23, 2017]), either as a public or private right-of-way as part of the redevelopment of the site; and
 4. Direct the CAO to return to Regional Council with a report and recommendations regarding stabilizing and maintaining the Fielding Building and Common Building for winter 2017/18 and;
 5. Explore incorporating affordable housing, as a condition of sale, consistent with policy direction to be set out in the Centre Plan.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, Chapter 39, and Section 61(5): The Municipality may (b) sell property at market value when the property is no longer required for the purposes of the Municipality.

Halifax Regional Municipality Charter, Chapter 39, and Section 233: (1) The Municipality may (a) acquire and assemble land for the purpose of carrying out a development consistent with the municipal planning strategy, whether the development is to be undertaken by the Municipality or not; or (b) by agreement with the owners of the land, acquire the right to impose easements or other development restrictions on the lands as if it had acquired the title; (2) The Municipality may subdivide, rearrange and deal with lands described in clause (1)(a) as if it were a private owner and may sell the lands subject to any building restrictions or easements that the Council requires to ensure the development is consistent with the municipal planning strategy.

BACKGROUND

The Bloomfield site occupies 3.28 acres and is designated Park and Institutional under the Halifax Municipal Planning Strategy (MPS), with Park and Institutional (P) zoning, under the Halifax Peninsula Land Use By-Law (LUB). The property is being considered for plan amendments under the Municipality's Centre Plan work to support mixed use development with the intent to market and close on the sale following Council's adoption of the new plan policies and land use bylaw for the property.

This report provides Regional Council with an update specific to recommendation one (1.) of the motion approved at the August 15, 2017 meeting of Regional Council:

1. Categorize the Bloomfield property as Inter-governmental pursuant to Administrative Order 50 (AO50), and direct staff to negotiate the sale of a portion of the property (as shown in green on the plan [attached to the report dated May 23, 2017]) to the Province for a new school site at fair market value as supported by appraisal to be commissioned by Halifax Regional Municipality (HRM). The Province shall have 120 days from the date of written notice from HRM to enter an Agreement of Purchase and Sale for the property. In the event the Province declines the opportunity; the land shall be categorized as Economic Development and disposed of pursuant to AO50.

DISCUSSION

With respect to the 120-days, written notice was delivered to Nova Scotia Transportation and Infrastructure Renewal (NS-TIR) on August 22, 2017; the staff letter set out preliminary terms of sale along with Council's direction by way of the above motion.

Following the end of the 120-day period, in a letter dated January 15, 2018 (see Attachment 1), NS-TIR advised that they have completed a preliminary review of the property. Thus, NS-TIR indicates they are not able to consider Council's offer to sell the property.

Their review concludes that there remain significant challenges related to the site, and that NS-TIR cannot, with any certainty, predict that Bloomfield would be selected through the Site Selection Process, going forward. This is owing to several constraints associated with the property including limited size, access, traffic congestion, and unsafe access for students, buses and parent drop-off.

Because of the Provincial decision to decline the opportunity to enter a purchase and sale agreement, staff will be proceeding with Council's August 15, 2017 direction to move the entire property forward for disposal under the Economic Development Category pursuant to Administrative Order 50. This will be coordinated in 2018 with Regional Council's anticipated approval of plan amendments and land use by-laws under Centre Plan.

In the interim, staff will advance preparatory real estate work to ready the property for marketing as part of a submission process. Consistent with Council direction, a) key elements and principles of the Bloomfield Master plan will be incorporated as terms and conditions of sale; b) staff will investigate the potential to reinstate Bloomfield Street as a public or private right-of-way as part of the redevelopment of the site; and, c) staff will explore the incorporation of affordable housing, as a condition of sale, consistent with policy direction to be set out in the Centre Plan.

FINANCIAL IMPLICATIONS

Currently, 90,000 square feet of floor area consist of three buildings on site: Bloomfield Main building (c.1971), the Commons building (c.1919), and the Fielding building (c.1929). There continues to be financial implications related to on-going costs of maintenance. As decommissioned and unoccupied, costs currently include repairs, electricity, security, and snow removal, and average approximately \$75,000 annually, over the last two fiscal periods. On-going operational costs are funded through W169 – Transitional Property. Furthermore, the continued delay in the sale of the property has delayed revenue from sale proceeds to be deposited to reserves and realty taxes.

Net proceeds of the property's sale will be transferred to the Strategic Capital Reserve, Q606.

Budget Summary, Opportunity Reserve-Strategic Capital Reserve, Q606

Balance in Reserve, November 30, 2017	\$ 26,292,022
Projected revenue to Reserve to March 31, 2018	\$ 4,434,442*
Commitments to March 31, 2018	<u>\$(41,115,379)</u>
Projected net available balance, March 31, 2018	\$(10,368,915)

*The contributions budgeted for 2017/18 included the anticipated sale of Bloomfield with a contribution amount more than \$10M; this pending sale for 2017/18 has been removed from the budgeted contributions for 2017/18, now reflected in the pending revenue to March 31, 2017. The budgeted contribution will be moved to the 2018/19 contributions to the reserve.

Q606, Strategic Capital Reserve.

To provide funding for large capital projects that are strategic in nature. Projects should be consistent with long term policies, and capital planning initiatives outlined in the Strategic Capital Planning and Infrastructure and Arena Consolidation Strategy reports/presentations of July 2014. Funding to the reserve are the net proceeds of the sale of specific properties as approved by Council and includes the sale of Bloomfield. Withdrawals from the reserve, as outlined in the report of July 2014 include items such as Dartmouth Multi-Pad, Dartmouth Sportsplex and Cogswell Interchange.

RISK CONSIDERATION

With the termination of the Agreement of Purchase and Sale in 2016, there remain operational risks and liabilities with retention of vacant land and structures. This is mitigated by undertaking updated assessment work on the two older buildings, and taking steps to delay further deterioration where reasonable. If the property were to be retained for a longer duration, demolition planning for the main building would be recommended.

COMMUNITY ENGAGEMENT

Halifax Regional Council adopted, in principle, the conceptual master plan for the Bloomfield property in 2009. This plan was supported by extensive public consultation. Furthermore, the property is subject to the required public consultation as part of HRM's Centre Plan process.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this matter, now. Condition and environmental assessments will be completed as part of demolition (if demolition were to be planned) and disposal processes.

ALTERNATIVES

There are no alternatives at this time.

ATTACHMENTS

1. Letter from Province of Nova Scotia Department of Transportation and Infrastructure Renewal, dated January 15, 2018

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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Letter from Province of Nova Scotia Department of Transportation and Infrastructure Renewal
REGIONAL COUNCIL INFORMATION REPORT


NOVA SCOTIA
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Education Facilities Project Services

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January 15, 2018

Mr. Peter Stickings
Manager, Corporate Real Estate
Finance and Asset Management
Halifax Regional Municipality
PO Box 1749
Halifax, Nova Scotia
B3J 3A5

Dear Mr. Stickings:

RE: Bloomfield Property Sale Offer

Further to your letter dated August 22, 2017, offering to sell a portion of the Bloomfield property to the Province for a possible new school, a preliminary review indicates that it will present several significant challenges to a Site Selection Committee attempting to find an appropriate site for a new school. As mandated by the Governor in Council Education Act Regulations, this committee must select three sites, each of which it can support as the final choice. We cannot, with certainty, predict if that process would conclude that the Bloomfield site would be one of those submitted, as it's not controlled by the Province.

Our preliminary staff review of the property outlined the following challenges:

1. Presently, there are no approved new school projects for peninsular Halifax, other than the South Peninsula Elementary School, which is nearing completion of design.
2. As a result of #1 above, the details of what would be required for a future approved school project on the peninsula are presently not known and wouldn't be for several months, at the earliest.
3. The size of the property offered is very small for a school.
4. A school building would have a footprint that leaves very little for required site elements, such as:
 - a. parking
 - b. bus drop-off/pick-up area
 - c. parent drop-off/pickup area
 - d. outdoor play

5. Access to outdoor play areas for students is severely limited if the property is as per the August 22, 2017 letter. The inclusion of the land where the Bloomfield extension, the Fielding and Common buildings are located would be necessary to improve the ability to provide outdoor play opportunities. Although, at this point, we cannot conclude that the HRM's provision of this additional property will ensure the viability of the property as an option in the required site selection process, it could increase the chances of this as an outcome.
6. Projects currently requested by school boards, but not approved, would be of sizes requiring multi-storey approaches, as a result of the small property size. As school buildings increase in the number of storeys, logistical challenges also increase.
7. The property is surrounded on 3 sides by streets with high levels of traffic, making safe access very difficult to and from the site for students, buses and parent vehicles.

Please be advised that this was a preliminary review of the offered site and a much more detailed analysis would need to be implemented before the Province could commit to such a large expenditure. Such an analysis will take several months to implement.

Yours truly,

Original Signed

Darrell MacDonald, NSAA, ALEP
Director, Education Facilities Project Services
Transportation & Infrastructure Renewal

cc: Paul LaFleche, Deputy Minister, DTIR
Tom Gouthro, Executive Director, Building Project Services, DTIR
Karen Gatien, Active Deputy Minister, EECD
Joe MacEachern, Executive Director, Finance & Facilities Mgmt., EECD
Jacques Dube, Chief Administrative Officer, HRM