

P.O. Box 1749 Halifax, Nova Scotia B3J 3A5 Canada

Item No. 8.1
Halifax Regional Council
February 12, 2019

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by

Jacques Dubé, Chief Administrative Officer

**DATE:** January 28, 2019

SUBJECT: Less than Market Value Land Lease: Kinsmen Club of Sackville, 71 First

**Lake Drive** 

### **ORIGIN**

• December 17, 2017 Regional Council motion:

MOVED by Councillor Craig, seconded by Councillor Blackburn that Halifax Regional Council authorize the Mayor and Municipal Clerk to enter into a less than market value lease agreement with the Kinsmen Club of Sackville, N.S. for the premises located at 71 First Lake Drive, PID NO. 00359958 per the key terms and conditions set out in Table 1 in the discussion section of the November 6, 2017 staff report. **MOTION PUT AND PASSED.** 

• November 27, 2018 notice from Kinsmen Club of Sackville, N.S., requesting Regional Council consider amendments to terms and conditions previously approved for the proposed land lease.

### LEGISLATIVE AUTHORITY

Halifax Regional Municipal Charter, Sections 63(1) and (2): (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.

Administrative Order One, The Procedures of the Council Administrative Order: Section 62 "Motion of Rescission" and Section 63 "Procedure for Motion of Rescission"

### **RECOMMENDATION**

It is recommended that Halifax Regional Council:

- Rescind the motion of Halifax Regional Council made December 12, 2017, authorizing the Mayor and Municipal Clerk to enter into a less than market value land lease agreement with the Kinsmen Club of Sackville, N.S. for the premises located at 71 First Lake Drive, PID NO. 00359968 per the key terms and conditions set out in Table 1 in the discussion section of the staff report dated November 6, 2017.
- 2. Authorize the Mayor and Municipal Clerk to enter into a less than market value land lease agreement with the Kinsmen Club of Sackville, N.S. for the premises located at 71 First Lake Drive,

PID# 00359968 per the amended key terms and conditions set out in Table 1 in the discussion section of this report.

### **BACKGROUND**

The Kinsmen Club of Sackville, NS (KCS) owns and operates the two-story building on the 4-acre property known as First Lake Park (often referred to as Murdoch MacKay Memorial Park).

Maple Ridge Realty Limited conveyed the property to the Municipality of the County of Halifax in March of 1963 for a proposed 'Kinsmen Club Playground' and/or "Recreation Centre". The land was developed in cooperation with the County of Halifax and KCS to provide recreational amenities for the residents of the Maple Ridge subdivision and surrounding neighborhood. The Kinsmen Community Centre officially opened in 1979.

On November 25, 1991, the relationship between KCS and the County of Halifax was formalized through a less than market value land lease (\$1.00 per annum). The lease had an initial one-year term with automatic one-year renewals provided the terms and conditions were maintained.

Over the past 15 years, HRM has developed many recreation assets on the property and taken over various maintenance responsibilities. The property has an extensive waterfront with a defined beach area, gazebo, children's playground, splash pad, the Glen Slauenwhite Trail and a public parking lot. HRM maintains and services the property with garbage removal, grass-cutting, maintenance of the splash pad and schedules the gazebo for private events. A new agreement is required to accurately reflect the reduced land area leased by the KCS and the current KCS responsibilities.

On October 9, 2017, KCS signed an Offer Letter with HRM containing the terms and conditions of the new less than market value land lease. The terms and conditions were presented to Regional Council on December 12, 2017 and were subsequently approved. However, prior to signing the lease agreement, KCS expressed concern with certain clauses leading to further discussions with HRM staff.

### **DISCUSSION**

KCS has requested three amendments to the key terms that were set forth in the December 12, 2017 report to Regional Council:

- Twelve (12) months' termination notice as opposed to three (3) months previously approved by Regional Council
- Twenty (20) year term as opposed to ten (10) years previously approved by Regional Council. The lease would be executed on April 1, 2019 and expire on March 31, 2039.
- Clarity on financial compensation to KCS if HRM terminates the lease.

It was determined by staff that the requested changes would require Regional Council review and approval. In advance of considering new key terms and conditions, Regional Council has to rescind its motion made on December 12, 2017.

# **Termination for Convenience**

Three (3) months' notice of termination was agreed upon in the offer letter and included in the lease, however, KCS later realized this short timeframe was inadequate for their operations. KCS have one tenant and book events, such as weddings, a year in advance. Therefore, should the need to terminate the lease with KCS arise, a minimum of twelve (12) months' notice is required to allow KCS time to notify the tenant and address the facility bookings. Staff propose a twelve-month notice to terminate is reasonable and has been provided in other agreements.

#### Term

In recent agreements, staff has recommended ten (10) year terms to help provide reasonable location stability to non-profit organizations. Lease Agreements which are twenty (20) years or more can be challenging due to legislation changes, a shift in Regional Council priorities, revisions to tenant's mission

statements and turnover of tenant's personnel.

KCS have requested a twenty (20) year term to allow their members and stakeholders to continue their long-term planning and recapitalization of their building. KCS have consistently pursued their mission and have maintained the premises to a high standard for nearly 40 years. A twenty (20) year term recognizes the past contributions of KCS and the future opportunities they can provide to the community.

HRM has provided twenty (20) year lease terms to other organizations which own a building located on HRM property. Considering this, and the fact the property was conveyed to the municipality for recreation development in partnership with KCS, staff propose a twenty (20) year term is suitable in this case.

#### Financial Compensation

HRM and KCS agreed that if the lease agreement is terminated by HRM for default or breech of agreement by KCS, or if KCS terminates the lease agreement at any time for convenience, HRM is not required to compensate KCS financially or otherwise.

However, during negotiations in late 2018, KCS expressed a desire for HRM to provide financial compensation for their building at fair market value should HRM terminate the lease early for convenience or choose not to enter a new lease at the end of the term.

Compensating a building owner for a building located on municipal land, for reason of a lease termination is not common practice. HRM has added such compensation clauses to land lease agreements where HRM would retain the buildings for future municipal purposes. This is done when the buildings would be required as strategic recreation assets for programming or to be used by the community past the expiration or termination of a land lease. This building is a private use facility that does not offer direct municipal service delivery and is not expected to be retained in the future as a Parks and Recreation asset.

With a twenty (20) year term proposed, staff do not recommend including a clause to provide financial compensation or otherwise to KCS. In the event HRM terminates the agreement for convenience or chooses not to renew the agreement at the end of the term, the impact on KCS would be considered and addressed by HRM through that evaluation process.

### **Summary**

The proposed amendments are expected to instill confidence to KCS that this is a long-standing partnership with no intentions on the part of HRM to change the direction of the land or premises. Any change would require Regional Council authorization.

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

Table 1

Summary of Key Terms and Conditions of Land Lease		
Property Addresses	71 First Lake Drive, Lower Sackville	
Landlord	Halifax Regional Municipality	
Tenant	Kinsmen Club of Sackville, N.S.	
Premises	Approximately +/- 7,901 square feet (a portion of PID 00359968)	
Term	Twenty (20) years (April 1, 2019 – March 31, 2039)	
Use	Kinsmen Club of Sackville activities, hall rentals, community events and other related activities.	
Rent	\$1.00 plus HST per annum plus additional charges as applicable.	

Key Conditions	The Tenant is responsible to pay all utilities, operating costs and other associated costs related to the Premises.
	The Tenant is responsible for all maintenance and repairs to the building. The Tenant shall landscape the premises including but not limited to
	mowing, trimming, raking, litter removal inside the fenced area; maintaining flower beds/gardens directly outside the fenced area, and other general maintenance.
	The Tenant is responsible for the snow clearing & ice control for the
	Premises (including the walkways, entrances, stairs, and emergency exits), as well as the areas outside of the premises noted as the concreate pathway leading from the parking lot to the building and as required, the hashed marked areas of the parking lot abutting these areas to ensure safe
Property Taxes	access to and from the building.  Tenant shall be responsible for any applicable property taxes levied upon the
	property as a result of this lease agreement.
Insurance	Commercial General Liability in the amount no less than \$5,000,000 and any
	other insurance required by HRM as set forth in the agreement. If alcohol is served, stored or consumed on site then liquor liability must be included in the
	insurance which coverage must be satisfactory to HRM. HRM is to be on the
	policies as additional named insured.
Termination for	Either party shall have the option to terminate this agreement upon providing
Convenience	twelve (12) months written notice to the other party at any time and for any reason.
Condition	The Tenant accepts the Premises on an "as is" basis.
Building	The Tenant has improved the property by adding a building. Upon the
	termination of the lease and at the discretion of the Landlord, the Tenant may
	be required to remove the building and all related materials and return the lands to their natural state. If the Tenant is required to remove the structure and any
	related materials, they shall be responsible for all related costs. At the
	termination of the agreement with the Tenant, if the Landlord chooses to retain
	the building or any improvements, they shall then be owned by the Landlord
Doulsing	and there will be no financial compensation to the Tenant for such ownership.
Parking	The parking area is non-exclusive and shall be used in common with other users of the property.
Access	The Landlord shall permit, during the term of this agreement, the Tenant and
	their invitees pedestrian access to the Leased Premises over the municipally
Ciamana	owned property identified as PID No. 00359968.
Signage	The Tenant will not erect, paint, display, place, affix or maintain or permit any signage or advertising on the exterior of the building, land or Premises,
	including windows or anywhere visible from outside the Leased Premises
	without the Landlord's prior written permission.
	The current permanent sign located next to the Leased Premises shall remain
	at the discretion of the Landlord. Any changes, repairs or replacements to this
	sign will be at the sole cost of the Tenant and at the discretion of the Landlord.
	Any present building signage and advertising may remain in its current location.  If the signage needs to be replaced, it must first be approved in writing by the
	Landlord and conform to every applicable law, rule, by-law, regulation, order,
	direction, ordinance and standard of every competent federal, provincial,
	municipal, regional and other statutory authority in force.

# **FINANCIAL IMPLICATIONS**

The market value for the leased land is estimated between \$1,500 to \$1,900 plus HST per annum. This rate was determined using a recent property appraisal of vacant land for the area conducted by a third-party appraiser and a comparable market analysis. The potential market value rent for the land represents

an opportunity cost to the Municipality of between \$1,500 to \$1,900 plus HST per annum, therefore, the proposed nominal rent amount of \$1.00 plus HST per annum is considered less than market value.

KCS will be responsible to pay the property taxes as they fall due and are invoiced by HRM. It is anticipated that KCS will make an application for tax relief.

### **RISK CONSIDERATION**

There are no significant risks associated with the recommendations in this Report. The risks considered rate Low. To reach this conclusion, consideration was given to operational, strategic and financial risks.

Reducing the area of the lease to those items in immediate control of the Kinsmen Club provides clear lines of responsibility. HRM Parks and Recreation will continue oversight of the property and proper inspection of the infrastructure to mitigate any risk.

### **COMMUNITY ENGAGEMENT**

The Board of Directors for the Kinsmen Club of Sackville, N.S. is made up of members of the community.

### **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with this report.

### **ALTERNATIVES**

- Alternative 1: Regional Council could choose not to rescind the original motion and continue the offer of the lease under the terms agreed to in the initial offer letter and standard HRM lease agreement.
- Alternative 2: Regional Council could choose to include a commitment for Regional Council to consider payment to KCS for fair market value of the building, should HRM terminate the lease for convenience or choose to not renew the lease at the end of the term.
- Alternative 3: Regional Council could alter the terms of the proposed new Land Lease. Depending on the changes, this could require additional negotiation with KCS and a supplementary report.

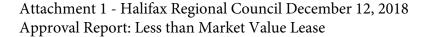
### **ATTACHMENTS**

Attachment 1: Halifax Regional Council December 12, 2017 Approval Report: Less than Market Value Lease

Attachment 2: Schedule "A" Map of Leased Area

A copy of this report can be obtained online at <a href="https://halifax.ca">halifax.ca</a> or by contacting the Office of the Municipal Clerk at 902,490,4210.

Report Prepared by: Scott Ingram, Facility Service Delivery Coordinator, Parks & Recreation, 902.221.1319





P.O. Box 1749 Halifax, Nova Scotia B3J 3A5 Canada

Item No. 14.3.2
Halifax Regional Council
December 12, 2017

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

**SUBMITTED BY:** 

Russell Walker, Chair, Grants Committee

**DATE:** December 5, 2017

**SUBJECT:** Less than Market Value Lease: Kinsmen Club of Sackville, N.S., 71 First Lake

Drive

# **ORIGIN**

December 4, 2017 meeting of the Grants Committee - motion to approve staff recommendation.

# **LEGISLATIVE AUTHORITY**

From the HRM Grants Committee Terms of Reference: "The HRM Grants Committee shall review, evaluate and make recommendations to Regional Council regarding annual cash grants, rent subsidies, property tax exemptions, less than market value property sales and leases to registered non-profit organizations and charities managed by a duly appointed Grants Committee."

### **RECOMMENDATION**

The Grants Committee recommends Halifax Regional Council authorize the Mayor and Municipal Clerk to enter into a less than market value lease agreement with the Kinsmen Club of Sackville, N.S. for the premises located at 71 First Lake Drive, PID NO. 00359958 per the key terms and conditions set out in Table 1 in the discussion section of the November 6, 2017 staff report.

Less than Market Value Lease: Kinsmen Club of Sackville, N.S., 71 First Lake Drive

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# **BACKGROUND/ DISCUSSION**

The Grants Committee reviewed the staff report dated November 6, 2017 at their December 4, 2017 meeting and approved the staff recommendation.

# **FINANCIAL IMPLICATIONS**

Financial implications are outlined in the attached staff report dated November 6, 2017.

# **RISK CONSIDERATION**

Risk consideration is addressed in the attached staff report dated November 6, 2017.

# **COMMUNITY ENGAGEMENT**

The Grants Committee meetings are open to public attendance. The Grants Committee is comprised of one elected member from each Community Council, a Chair appointed from the membership of the Audit and Finance Standing Committee and six (6) members of the public. The agenda, minutes, and reports for the Grants Committee are posted on the HRM website.

### **ENVIRONMENTAL IMPLICATIONS**

None identified.

### **ALTERNATIVES**

The Committee did not provide alternatives. The attached staff report provides alternatives.

### **ATTACHMENTS**

Attachment 1: Staff report dated November 6, 2017.

A copy of this report can be obtained online at <a href="halifax.ca">halifax.ca</a> or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Sheilagh Edmonds, Legislative Assistant, Municipal Clerk's Office, 902.490.6520





P.O. Box 1749 Halifax, Nova Scotia B3J 3A5 Canada

Item No.
HRM Grants Committee
December 4, 2017

**TO:** Chair and Members of the HRM Grants Committee

Original Signed

SUBMITTED BY:

Jerry Blackwood, Acting Director of Finance and Asset Management/CFO

**DATE:** November 6, 2017

SUBJECT: Less than Market Value Lease: Kinsmen Club of Sackville, N.S., 71 First

**Lake Drive** 

# ORIGIN

This report originates with a request from the Tenant to enter into a new lease agreement with the Halifax Regional Municipality (HRM) for the premises located at 71 First Lake Drive, Sackville, as their lease agreement has renewed annually since the original August 1, 1992 lease.

# **LEGISLATIVE AUTHORITY**

HRM Charter Section 63(1), the Municipality may sell or lease property at a price less than market value to a non-profit organization that Council considers to be carrying on an activity that is beneficial to the Municipality; and (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 HRM Grants Committee:

Recommend that Halifax Regional Council authorize the Mayor and Municipal Clerk to enter into a
less than market value lease agreement with the Kinsmen Club of Sackville, N.S. for the premises
located at 71 First Lake Drive, PID No. 00359968 per the key terms and conditions set out in Table
1 in the discussion section of this report.

# **BACKGROUND**

The property is a four (4) acre parcel of land located on First Lake in Lower Sackville. The location is officially known as First Lake Park, however, it is also referred to as Murdoch McKay Memorial Park and the Kinsmen Park. The property has an extensive waterfront with a defined beach area, gazebo, children's playground, splash pad, the Glen Slauenwhite Trail and a public parking lot. HRM maintains, and services the property with garbage removal, grass-cutting, maintenance of the splash pad and schedules the gazebo for private events. The 3.3 km trail extends across the waterfront boundary of the land with stewardship provided by Friends of First Lake. The two-storey building onsite is owned and operated by the Kinsmen Club of Sackville, N.S.

The property was created through a plan of sub-division dated October 2, 1962. The sub-divided land was owned by Maple Ridge Realty Limited and was conveyed to the Municipality of the County of Halifax in March of 1963 for a proposed 'Kinsmen Club Playground' and/or "Recreation Centre" as approved by the County of Halifax's Planning Board on December 17, 1962. The land was developed in cooperation with the County of Halifax to provide recreational amenities for the residents of the Maple Ridge subdivision and surrounding neighborhood. In 1997, the County issued a building permit for construction of a two-storey "recreation centre" of approximately 7,320 square feet. The land lease on file is dated November 25, 1991 for one (1) year term and also indicates that providing the Lessee was not in default of any covenants or provisos of the agreement, and the premises were being used for a recreational purpose in a manner satisfactory to the Lessor, then upon expiry of the initial one (1) year term, the Lease shall automatically renew for a further term of one (1) year upon terms and rate of rental to be agreed upon at the time. Each subsequent term that this lease remains in effect, the provisions for automatic renewal may be exercised. The agreement was set at a rent of \$1.00 per annum.

Presently, the building's upper level is used for Kinsmen Club activities, community events and private rentals. The lower floor accommodates the First Lake Early Learning Centre (formerly the Sackville Bedford Developmental Centre), a non-profit society and registered charity founded in 1978 by the Halifax Association for Community Living and the Kinsmen Club of Sackville, N.S. (KCS). The centre operates five days a week from 6:30am to 6pm and serves children with special needs up to 5 years of age. To accommodate the Centre, there is a fenced playground to the rear of the building and a wheelchair accessible pathway from the parking lot. There are no public washrooms provided at this location. The property is zoned P2 (Park). The current use conforms to the Land Use By-law.

# **DISCUSSION**

Incorporated in 1961, the KCS is a membership-based service club that actively raises funds for a variety of community services. Operations are sustained by fundraising and hall rentals. Documentation indicates that the property was acquired for the purpose of a recreational development in association with the KCS. The Kinsmen have an investment interest in the property as they erected the building on-site. They have provided long-standing stewardship and maintained the premises in a state of good repair.

The initial one (1) year land lease agreement was for the entire property. Over the past fifteen years the Municipality has developed and maintained community recreation assets on the property. The KCS no longer provide alternate service delivery, however, they do continue to support both municipal and non-municipal recreational opportunities at this location. The new lease is proposed for a ten (10) year term to allow the KCS to plan for the future and will more accurately define responsibilities for each party.

The portion of land to be leased to the KCS is a defined area of approximately 7,320 square feet encompassing:

- the clubhouse building;
- the fenced daycare playground; and
- access via a wheelchair accessible pathway.

The area of land to be leased to the Club is shown in the site map in Attachment 1.

Snow and ice removal for the public parking lot shall be scheduled and completed by HRM as per HRM's protocol's/service priorities. The parking lot snow and ice clearing has been included in HRM winter operations budget since 2015/16 and is managed by Municipal Facilities, Maintenance and Operations. The KCS, their occupants, guests and the public will continue to have non-exclusive access to parking lot.

In 2017, the property was valued at \$1,578,100. Based on the non-residential use, the property is assessed as Commercial. The Kinsmen Club of Sackville, N.S. had been added to the tax relief program under the former Municipality of Halifax County, By Law 51, at 100% exempt. The Club has been approved for tax relief by Regional Council and as result is currently on Administrative Order 2014-001-ADM, Schedule 26, 100% Reduction of Residential Rate.

With the execution of the new lease to KCS for only a portion of the site, HRM will notify Property Valuation Services Corporation and request an amendment to the current assessment from fully Commercial to a portion Commercial and the balance exempt as it is used for a municipal purpose. The reduction of land that the KCS will be responsible for under the new lease will reduce the amount of tax relief required under Administrative Order 2014-001-ADM.

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

Table 1

	Recommended Key Lease Terms and Conditions
Property Addresses	71 First Lake Drive, Lower Sackville
Landlord	Halifax Regional Municipality
Tenant	Kinsmen Club of Sackville, N.S.
Premises	Approximately +/- 7,320 square feet (a portion of PID No. 00359968), actual area to be verified by survey
Term	Ten (10) years, September 1, 2017 to August 31, 2027
Use	Kinsmen Club of Sackville activities, hall rentals, community events and other related activities.
Rent	\$1.00 per annum plus additional charges as applicable.
Tenant Responsibility	The Tenant is responsible to pay all utilities, operating costs and other associated costs related to the premises.
	The Tenant is responsible for all maintenance and repairs to the building. The tenant shall landscape the premises including but not limited to mowing, trimming, raking, litter removal inside the fenced area; maintaining flower beds/gardens directly outside the fenced area, and other general maintenance.
	The Tenant is responsible for the snow clearing & ice control for the premises (including the walkways, entrances, stairs, and emergency exits), as well as the areas outside of the premises noted as the concrete pathway leading from the parking lot to the building and as required, the hashed marked areas of the parking lot abutting these areas to ensure safe access to and from the building.

Property Taxes	Tenant shall be responsible for any applicable property taxes levied upon the
Troperty raxes	property as a result of this lease agreement.
Insurance	Commercial General Liability in the amount no less than \$5,000,000 and any other insurance required by HRM as set forth in the agreement. If alcohol is served, stored or consumed on site then liquor liability must be included in the insurance which coverage must be satisfactory to HRM. HRM is to be on the policies as additional named insured.
Notice	Either party shall have the option to terminate this agreement upon providing three (3) months written notice to the other party at any time and for any reason.
Condition	The Tenant accepts the Premises on an "as is" basis.
Subletting or Assignment	The Tenant shall not assign this Lease, nor assign, sublet, part with or share possession or occupation of the Premises or any part thereof without the prior written consent of the Landlord, which consent may be arbitrarily withheld should such assignment, subletting or parting with possession result in a change in the nature of the business carried on from the Premises or a diminution of either the financial resources behind the Tenant's covenant to pay rent or in the business experience of such assignee or sublessee or for any other reason.
	All tenants, sub-tenants and assignees shall comply with the requirements of every applicable law, rule, by-law, regulation, order, direction, ordinance and standard of every competent federal, provincial, municipal, regional and other statutory authority in force.
Building	The Tenant has improved the property by adding a building.
	Upon the termination of the lease and at the discretion of the Landlord, the Tenant may be required to remove the building and all related materials and return the lands to their natural state. If the Tenant is required to remove the structure and any related materials, they shall be responsible for all related costs. At the termination of the agreement with the Tenant, if the Landlord chooses to retain the building or any improvements, they shall then be owned by the Landlord and there will be no financial compensation to the Tenant for such ownership.
Parking	The parking area is non-exclusive and shall be used in common with other users of the property.
Access	The Landlord shall permit, during the term of this agreement, the Tenant and their invitees pedestrian access to the Leased Premises over the municipally owned property identified as PID No. 00359968.
Signage	The Tenant will not erect, paint, display, place, affix or maintain or permit any signage or advertising on the exterior of the building, land or Premises, including windows or anywhere visible from outside the Leased Premises without the Landlord's prior written permission.
	The current permanent sign located next to the Leased Premises shall remain at the discretion of the Landlord. Any changes, repairs or replacements to this sign will be at the sole cost of the Tenant and at the discretion of the Landlord. Any present building signage and advertising may remain in its current location. If the signage needs to be replaced, it must first be approved in writing by the Landlord and conform to every applicable law, rule, by-law, regulation, order, direction, ordinance and standard of every competent federal, provincial, municipal, regional and other statutory authority in force.

# **FINANCIAL IMPLICATIONS**

The rent for the term of this agreement is a nominal amount of \$1.00 per annum which is less than market value. The potential Market Value Rent for the land represents an opportunity cost to the Municipality of \$1,087 per annum.

The tenant will be responsible to pay the property taxes as they fall due and are invoiced by HRM. With Regional Council's approval of the Club to Administrative Order 2014-001-ADM Tax Relief to Non-Profit Organizations, the amount offset represents an 'operating grant' from HRM.

### **RISK CONSIDERATION**

Reducing the area of the lease to those items in immediate control of the Kinsmen Club provides clear lines of responsibility. The risk associated with the building and activities carried on inside will be the responsibility of the Kinsmen Club and they will be required to mitigate any risks to public use. HRM will be solely responsible for the other park infrastructure. HRM Parks and Recreation will continue to provide oversight of the property and proper inspection of the infrastructure to mitigate any risk.

### **COMMUNITY ENGAGEMENT**

The Board of Directors for the Kinsmen Club of Sackville, N.S. is made up of members of the community.

### **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications associated with this report.

### **ALTERNATIVES**

- 1. The Grants Committee could recommend that Regional Council lease the property at market value to the Kinsman Club of Sackville.
- 2. The Grants Committee could recommend that Regional Council change the term of the lease with the Kinsman Club of Sackville.

### **ATTACHMENTS**

Attachment 1 - Map of Leased Area

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A copy of this report can be obtained online at http://www.halifax.ca/commcoun/index.php then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Scott Ingram, Community Facility Service Delivery Coordinator, Program Support

Services, Parks and Recreation, 902.221.1319



# **ATTACHMENT 'A'**



