

Governing Legislation: HRM Charter (2008) Section 61 and 63 respecting property sales and Section 79 respecting grants and contributions.

Administrative Policy: Administrative Order 50.

Purpose: Properties declared surplus to the Municipality's requirements, as approved by Regional Council under Section 3 of Administrative Order 50 and assigned to the Community Interest category, shall be evaluated by a cross-disciplinary team in accordance with criteria set out in Section 15 of Schedule 1 of the policy.

Application of the Evaluation Guidelines: Guidelines shall be applied in a consistent and equitable manner to all submissions with oversight provided by the HRM Grants & Contributions staff. In circumstances where subject-specific expertise may be required by the cross-disciplinary evaluation team, such resources may be enlisted by Grants & Contributions staff through an impartial selection process and in accordance with conflict of interest guidelines.

Amendments to Evaluation Guidelines: Amendments to these guidelines shall reflect any substantive change in policy (Administrative Order 50) and are subject to the approval of the Director of Finance & Asset Management.

Purpose of the Evaluation Guidelines: These guidelines constitute standards of evaluation and are intended to direct the staff evaluation team in the execution of a transparent, consistent, and objective process.

Notification of the Evaluation Guidelines: The general public shall have access to these guidelines through the HRM web site and to applicants through a public Call for Submissions or Direct Sale process.

Operational Definitions: With respect to the application of these guidelines:

- (a) "The Municipality" shall mean the Halifax regional Municipality and is not construed to mean a defined geographic area.
- (b) "Benefit to the Municipality" means a benefit, tangible or otherwise, to Halifax Regional Municipality.
- (c) "Benefit to the Community" shall mean the benefit to the community in continuation of a program, service or amenity by the non-profit organization; whether the non-profit organization provides a program, service or amenity that is not provided by the Municipality or another non-profit organization within the local area; or the cultural or historical significance of the subject property.
- (d) "Viability" means an applicant's probability of success and continuing effectiveness as demonstrated by their written proposal.
- (e) "Compensation" means financial consideration through the payment of money or exchange of real property and shall exclude any consideration of reparation, grievance, or indemnification.

- (f) “Content Compliance” means that the applicant met the requirements of policy as set out in Section 8 of Schedule 1 of the policy and any additional requirements specific to the subject property issued through a Call for Submissions or Direct Sale.
- (g) “Appraised Market Value” means the probable sale price realized by the conveyance of the property in the open market without concessions as determined by an independent, accredited appraiser.
- (h) Non-Profit Organization” means:
 - i. a society registered under the Societies Act (1989);
 - ii. a non-profit association incorporated under the Co-Operative Associations Act (1989);
 - iii. a not-for-profit corporation under the Canada Not-for-profit Corporations Act (2009);
 - iv. a non-profit incorporated under an Act of the Nova Scotia Legislature; or
 - v. a registered charity shall be incorporated under the Income Tax Act (Canada).

Information for the Staff Evaluation Process:

1. Each member of the cross-disciplinary evaluation team shall apply these guidelines in their evaluation of an applicant’s submission.
2. To protect the integrity of the process internal and external reviewers shall sign a conflict of interest and confidentiality agreement.
3. The names of reviewers shall not be a matter of public record.
4. Applicants shall receive information in an identical manner at the same time. No party shall receive preferential consideration from a member of HRM staff or external reviewer.
5. Evaluations shall be in writing with the reviewer’s contact information and retained on file by HRM Real Estate for a period of seven (7) years.
6. HRM Grants & Contributions shall convene a cross-disciplinary evaluation team the composition of which shall include technical representation (financial, real estate, community resource expertise).
7. The staff evaluation team may request qualified external expertise in circumstances which require it.
8. The staff evaluation team will summarize results for all submissions and present them to Regional Council. The report summary should include the advisability and any terms of a suggested Buy-Back Agreement, as well as the potential financial implications to the Municipality of each application, including future possible tax consequences or savings. Further consideration by Council, based on Administrative Order 50 criteria will result in a decision on how the Council wish to proceed either with a public hearing as applicable in accordance with Section 63(3) of the HRM Charter, re-assignment to a Community Interest sub-category, or with a change in surplus disposal category.

Original Implementation Date	July 3, 2015	Approved by	Director of Finance & ICT/CFO
Effective Date of Last Revision	July 12, 2018	Approved by	Director of Finance & Asset Management/CFO

Instructions to Evaluation Team Members

1. Review the mandatory criteria shown below in “Evaluation Criteria” when reading the submission and note any omissions or questions of clarification to discuss at the evaluation team meeting.

Evaluation Criteria			
Criteria	Intended Outcome	Submission Content	Evaluation Considerations
Viability	Probability of sustainability.	Completeness of financial information, budget preparation, test assumptions, due diligence, ability to purchase and operate the property, business plan, awareness of zoning and by-laws as applicable to the subject property.	<ul style="list-style-type: none"> • Mandatory information as per Section 8 of Schedule 1. • Documentation to substantiate organization’s ability to support defined goals. Purchaser’s due diligence. • Capital and Operating Plan. • Test of assumptions/claims/projections. • Holding costs, contingencies or conditions in relation to the intended use. • Related experience or success.
Benefit to the Community	Continuity. Opportunity. Inclusion.	Intended use. Public access.	<ul style="list-style-type: none"> • Continuation of community-based program, service or amenity. • Serves an identified gap in program, service or amenity. • Cultural or historical significance.
Benefit to the Municipality	Maximizing public benefit.	HRM Charter s.63(1) organization carrying on an activity that is beneficial to the municipal government.	<ul style="list-style-type: none"> • Financial. • Qualitative. • Demonstrated need for program or service on site or administered from the subject property. Scale and type of program or service.
Compensation	Terms of offer.	Compensation relative to appraised value. Any cost-saving to HRM or future revenues.	<ul style="list-style-type: none"> • Section 8(h) and Section 9 of Administrative Order 50.

2. Develop an initial score for the submission using the guidelines in Table 1 or Table 2 “Weighted Scoring” according to the market value threshold (\$250,000).

The evaluation of lower value property emphasizes Viability and Benefit to the Community whereas the disposal of higher value property emphasizes Viability, Benefit to the Municipality, and Compensation.

Table 1. Weighted Scoring: Call for Submissions - Property Valued \$250,000 or less		
Criteria	Description	Points
Viability	Organization's financial status and organizational stability; related experience or success; completeness of the application; test of assumptions and projections in simplified business plan.	35
Benefit to the Community	Continuation of an existing non-profit program, service or amenity; the applicant provides a program, service or amenity not offered by the Municipality or another non-profit in the local area; the cultural or historical significance of the property.	35
Benefit to the Municipality	Alignment of intended use and programming with the Municipality's mandate or priority interests.	20
Compensation	Any discount sale price and any ancillary agreements for which financial compensation not received; direct or indirect impact on municipal operating and capital budgets or reserves. See: Note 5 Buy-Back Agreement	10
		100

Table 2. Weighted Scoring: Call for Submissions - Property Valued over \$250,000		
Criteria	Description	Points
Viability	Organization's financial status and organizational stability; related experience or success; completeness of the application and financial information; 5-Year Capital and Operating Plan demonstrates realistic planning, assumptions disclosed and substantiated, financing identified and confirmed; test of assumptions and projections in detailed business plan/schedule of work.	40
Benefit to the Municipality	Alignment of intended use and programming with the Municipality's mandate or priority interests.	30
Benefit to the Community	Continuation of an existing non-profit program, service or amenity; the applicant provides a program, service or amenity not offered by the Municipality or another non-profit in the local area; the cultural or historical significance of the property.	10
Compensation	Any discounted sale price and ancillary agreements for which financial compensation not received; direct or indirect impact on municipal operating and capital budgets or reserves. See: Note 5 Buy-Back Agreement.	20
		100

3. Complete the “Review Form and Notes” on page 6 and bring this form to the staff evaluation team meeting with any questions of clarification or support documentation (data, policy, municipal plan references etc). Note: evaluation documentation may be required under an internal audit or a FOIPOP request. An evidence-based assessment should be used to support a recommendation.
4. Consider if a Buy-Back Agreement should apply and if so the possible terms and conditions of same.
5. In relation to Compensation the evaluation team must also consider the overall financial impacts on the Municipality:
 - (i) the dollar value of any financial discount applied to the purchase price;
 - (ii) any reduction in deed transfer tax due to a discounted sale price;
 - (iii) any direct or indirect impact on municipal finances or services (for example, a cost or a saving to a departmental operating or capital budget, whether the proceeds from sale have been included in the Municipality’s capital budget);
 - (iv) if the proceeds from sale have been included in a capital budget the implications must be presented in the staff report (the impact on a planned project, the cost to borrow the funds or the impact of a withdrawal from a reserve to offset revenue loss); and
 - (v) the value of HRM’s cash expenditures not recovered from the Purchaser (closing costs).

Instructions to Evaluation Team Members: Direct Sale Consideration

1. The Evaluation Criteria used in a Call for Submissions also apply to a Direct Sale.
2. The weighted scoring used in a Call for Submissions (Table 1. or Table 2) is used for a Direct Sale according to the property’s value.
3. Complete the “Review Notes and Score” on page 6 and bring this form to the staff evaluation team meeting with any questions of clarification or support documentation (data, policy, municipal plan references). Note: evaluation documentation may be requested under an internal audit or a FOIPOP request. Evaluation forms will be retained on file by real estate for seven (7) years. Use an evidence-based assessment to support a recommendation.
4. The only significant difference between an “open” Call for Submissions and a “closed” Direct Sale is the extent to which a former occupant has been directly or indirectly subsidized by the Municipality – the discontinuation of HRM’s expenditures on the property following closing may impact future operating viability (for example, insurance, utilities, repairs) and should be assessed in relation to the applicant’s projected capital and operating budget.
5. Consider if a Buy-Back Agreement should apply and if so the possible terms and conditions of same. Even if the applicant has a significant equity interest in the subject property, a Buy-Back Agreement may be advisable in some circumstances (eg. a registered heritage property, scarcity of land in the immediate area, public waterfront access, or land of ecological significance).

Review Form and Notes		
Criteria	Notes	Points
Viability		
Benefit to the Community		
Benefit to the Municipality		
Compensation		
		100
Name/Department		
Email Address:		

Include additional notes as required and attach to this form.



Halifax Regional Municipality
Grants and Contributions
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