

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 the Council considers to be carrying on an activity that is beneficial to the Municipality.

HRM Charter Section 63(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 Grants Committee:

1. Recommend that Halifax Regional Council authorize the Mayor and Municipal Clerk to enter into a less than market value license agreement with Sable Island Institute for the premises known as the Point Pleasant Park Superintendents Lodge, located at 5718 Point Pleasant Drive, Halifax, as per the key terms and conditions set out in Table 1 in the discussion section of this report.

It is recommended that Halifax & West Community Council:

1. Recommend that Halifax Regional Council direct the Chief Administrative Officer conduct a scan of the local not-for-profit environment to determine the best use of the Point Pleasant Park Superintendent's Lodge, in meeting the goals of the Point Pleasant Park Comprehensive Plan as part of the community engagement on the Proposed Greenbank Building for consideration upon completion of the 5-year less than market license.

BACKGROUND

The Point Pleasant Park (PPP) Lodge is a Victorian era stone structure which was built in 1897 to house the Superintendent of the park. It replaced an outdated structure located on Pleasant Street and not only housed the park keeper and their family, but was designed to enhance the Tower Road entrance into the park. In 1948, stone was removed from the Cambridge Battery and by 1950 that stone was used to complete an addition onto the original structure.

From 1897 until 1983, several Superintendents lived in the Lodge at which point the building required substantial interior and exterior repairs. It remained under renovation until 1987 when the Park Foreman moved into the building with his family, later becoming the Superintendent in 1987. Since amalgamation in 1996, the Lodge remains unoccupied by staff, but still serves as a reminder of the park keepers who made it their home.

From 1996 until present day, the building has been used as an art center and by Recreation Programming for activities such as Nordic Walking. While there was interest in continuing to use the site, the interior layout did not permit enough space for programs or other activities and was used predominantly as a meeting location and for storage of equipment. Recreation programming out of the Lodge was minimal.

The Sable Island Institute entered a one (1) year agreement with Halifax Regional Municipality (HRM) to occupy the Lodge. The agreement commenced on March 1, 2018 and expired on February 28, 2019. The Sable Island Institute is a registered, not-for-profit organization that develops and conducts a wide variety of Sable Island programs, including environmental monitoring, biodiversity surveys, arts and culture projects, and public outreach. The groups' mission is to support and promote the protection and

conservation of the natural and cultural values of Sable Island through research, collaboration, and education.

In May 2018, the Point Pleasant Park Advisory Committee (PPPAC) received a presentation from the Sable Island Institute as the group was asking for the Committee's support in endorsing a 10-year less than market value lease. It was also noted that Parks Canada had sent the Institute a letter of support.

The PPPAC Committee wanted to know if there was any other interest in using the space and if the public had been given an opportunity to submit proposals to lease the Lodge. The Committee was supportive of this group continuing for another year but wanted to understand if there were other groups interested in the space or if it could be used by HRM as a park amenity. The Committee wanted to ensure the PPP Lodge was used in the best interest of the Park.

On March 5, 2019, Regional Council approved an extension of a 1-year lease of Point Pleasant Park Lodge under the same terms and conditions. An agreement has been executed and will expire on February 29, 2020.

DISCUSSION

The Point Pleasant Park Comprehensive Plan indicates consideration should be given to restoring the Lodge and surrounding landscape in a manner that would conserve the historic integrity. The Plan speaks to engaging the public via programming, but also points out the small size and nature of the lodge would likely pose limits to reusing the interior for public uses.

As indicated in the Point Pleasant Park Comprehensive Plan, the addition of the Greenbank Multi-use Building would provide an opportunity to have indoor and outdoor recreation programming back within the park area, as the building could be designed to include a variety of spaces such as a park information centre, a café, accessible washrooms, office and storage space. Popular programs, such as Nordic Walking, could have suitable meeting and storage space within this facility as the space would be designed with these programs in mind, versus renovating the Lodge to accommodate recreation programming.

The Sable Island Institute is currently using the Point Pleasant Park Lodge for the development and management of research projects, public outreach and educational programs in arts & sciences. Activities focussed on organization, operations, training personnel and establishing partnerships (e.g., with Parks Canada and other citizens' organizations) are in preparation. The group anticipates an additional four (4) years to complete this project.

Although the Sable Island Institute anticipates finishing their project in four (4) years, it is recommended that HRM enter into a five (5) year agreement as a five (5) year term will satisfy the term length requirement of the Administrative Order 2014-001-ADM Tax Relief to Non-Profit Organizations and make them eligible to apply for tax relief, and it gives them one additional year as a buffer to finish this project in case of overruns. Once the terms and conditions of the license are approved and the license is executed, the Sable Island Institute may then apply to the program, which is discretionary. The Sable Island Institute would be responsible for the payment of taxes until a decision is made by Regional Council on the group's tax relief application status.

At present, staff is unaware of any other interest in the Lodge aside from the Sable Island Institute. As the mission of the Institute speaks of biodiversity, sustainability and protecting the environment, the use of the Lodge by the Sable Island Institute seems a fitting match with the guiding principles of the Point Pleasant Park Comprehensive Plan. As well, where the group is currently housed in the building, it would be challenging for it to find another location and move all materials part way through their work. Therefore, it is recommended that HRM enter into a license agreement with Sable Island Institute to allow the group to

complete their project.

Prior to the completion, and through the community engagement process for the Greenbank Multi-use building, a scan will be conducted of the local non-profit and/or not-for-profit groups to determine if there is interest in the Lodge. The best use of the Lodge would support the objectives of the park and/or comply with the zoning requirements.

HRM and Sable Island Institute have negotiated a five (5) year license agreement at a less than market value rental rate of three dollars and fifty cents (\$3.50) per square foot per annum. The rate was determined based on the occupancy costs of the building. The rent shall increase annually on each anniversary of the commencement date and thereafter on a cumulative basis during the term of this license, by three (3) percent per annum. The Licensee is responsible for their proportionate share of the property tax plus HST, which will be billed by the Licensor.

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

Table 1

Recommended Key License Terms and Conditions	
Property Addresses	5718 Point Pleasant Drive, Halifax (a portion of PID 00001248)
Property Owner	Her Majesty the Queen in right of Canada, Parks Canada
Licensor	Halifax Regional Municipality
Licensee	Sable Island Institute
Premises	Point Pleasant Park Superintendents Lodge approx. 1,300 square feet
Commencement Date	March 1, 2020
Term	Five (5) Years (March 1, 2020 – February 28, 2025), the anniversary date shall be on March 1 of each year of the term.
Use	Sable Island Institute public outreach initiatives and related activities
Rent	\$3.50 per square foot (\$4,550 plus HST per annum), payable in monthly instalments of \$379.16 plus HST on or before the first day of each and every month of the term. The rent shall be increased each year on the anniversary of the commencement date, on a cumulative basis, at three (3) percent per annum. The first anniversary is March 1, 2021.
Property Taxes	The Licensee shall be responsible for any applicable property taxes levied upon the property as a result of this agreement plus the applicable HST. HRM shall issue an invoice to the group.
Insurance	Commercial General Liability in the amount no less than \$2,000,000 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.
Early Termination	Either party shall have the option to terminate this agreement upon providing six (6) months written notice to the other party at any time and for any reason.
License	Licensee agrees to enter into Licensor's standard license agreement.
Condition	Licensee accepts the Premises on an "as is" basis.

<i>Letter of Approval</i>	The Premises is within Point Pleasant Park which is owned by the Federal Government and leased to the Municipality. Since this property is not HRM owned, staff requested written permission from the Federal Government to enter into the proposed agreement with Sable Island Institute.
<i>Licensee Responsibilities</i>	<ul style="list-style-type: none"> • General repairs and maintenance provided that HRM is notified in advance and approvals have been given, excepting in the case of emergencies • Alarm systems and related costs including monitoring • False alarm charges • Snow and Ice Control (entrances, exits and walkways to the Premises) • Interior cleaning of the Premises • Regular garbage, recycling, compost, etc. removal from the Premises
<i>Licensor Responsibilities</i>	<ul style="list-style-type: none"> • Utilities including: heat, electricity, and water • Major capital repairs, replacements, improvements and in-ground infrastructure • Lawn and grounds maintenance around the outside of the Premises including mowing, trimming, raking, and litter removal • Regular garbage, recycling, compost, etc. removal from the site • Monthly building inspections for the Premises

Parks Canada has provided their approval and support of the Sable Island Institute program activities and licensing of the Lodge (Attachment A).

FINANCIAL IMPLICATIONS

Corporate Real Estate completed a market analysis of the surrounding area and have determined the market rent for this space is a total of \$15.00 per square foot, or \$19,500 per annum plus HST, including the current operating costs but excluding the property taxes. The market rent for the five-year term is valued at \$97,500 plus HST. The less than market value rent has been calculated to cover the current operating costs of the building of \$3.50 per square foot, or \$22,750 for the term of the agreement. Therefore, over the five-year term, \$74,750 in rent will be waived when HRM rents this space at less than market value.

The Point Pleasant Park operating budget, Account No. R860-5508, will receive the rent in the amount of \$4,550 plus HST per annum, which is payable monthly in the amount of \$379.16 plus HST. The rent shall be increased each year on the anniversary of the commencement date, on a cumulative basis, at three (3) percent per annum.

The Licensee is responsible to pay their proportionate share of the property taxes as they fall due and are invoiced by the Licensor.

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this report. The risks considered rate low. To determine this, consideration was given to operational, financial and operational risks.

COMMUNITY ENGAGEMENT

Community Engagement is not applicable with this report. There will be community engagement completed related to the future Greenbank Multi-use building. This building, as detailed in the 2008 Point Pleasant

Park Comprehensive Plan, is a building intended to serve many purposes such as washrooms, canteen, offices, multi-purpose space, program space, etc. Should the recommendation in this report be approved, that engagement would also include consideration of future use of the Lodge.

ENVIRONMENTAL IMPLICATIONS

There are no known environmental implications.

ALTERNATIVES

1. The Grants Committee could recommend that Halifax Regional Council license the property at market value to the Sable Island Institute.
2. The Grants Committee could recommend that Halifax Regional Council license the property to the Sable Island Institute for a longer term.
3. The Grants Committee could recommend that Halifax Regional Council deny this license option and direct the Chief Administrative Officer to do a call for proposals from other groups to license the property.

ATTACHMENTS

Attachment A: Parks Canada letter of Support

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Alana Tapper, Superintendent Parks West, Parks & Recreation, 902.490.6534



Attachment A - Parks Canada Letter of Support

August 21, 2019

Alana Tapper
Superintendent Parks West
Parks & Recreation
Halifax Regional Municipality
Halifax, Nova Scotia B3J 3A5

Dear Alana,

Parks Canada hereby consents on behalf of Her Majesty the Queen in right of Canada, represented herein by the Minister of the Environment for the purpose of Parks Canada Agency, to the License Agreement between Halifax Regional Municipality and Sable Island Institute (SII) for the use of the facilities known as The Point Pleasant Park Lodge (The Superintendent's Lodge) from March 1, 2020 to February 28, 2025.

By this consent, Her Majesty and Parks Canada Agency do not, expressly or impliedly, warrant or represent to anyone as to the state of the lands or to the existence or non-existence of any environmental condition affecting the lands.

Please consider this letter to be an affirmation of Parks Canada's support for SII and their activities to promote public understanding, appreciation and participation in the natural and cultural values of Sable Island. Parks Canada supported the establishment of SII in 2015 and have been happy to see their vision take form in the Superintendents Lodge. Furthermore, Parks Canada has a formal partnership agreement with SII and anticipates working collaboratively with the Institute for many years to come.

When the License Agreement has been finalized, we would appreciate receiving a copy for our information.

If you have any questions or comments, please do not hesitate to contact me at 902-426-4944 or via email at eric.nielsen@canada.ca.

Sincerely,

Eric Nielsen
Acting Field Unit Superintendent for Julie Tompa
Mainland Nova Scotia
Parks Canada