

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: June 19, 2020

SUBJECT: **Contribution to Nova Scotia Nature Trust –Land Acquisition**

ORIGIN

Request from the Nova Scotia Nature Trust (November 22, 2019).

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter:

- 79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;
- 283 (5) Where cash is paid in lieu of transferring land, the Council shall use the funds for the acquisition of, and capital improvements to, parks, playgrounds and similar public purposes and may use the interest on any funds not expended for those purposes for the operation and maintenance costs of parks, playgrounds and similar public purposes.
- (6) Notwithstanding subsections (5) and (14), the Council may transfer
- (a) the funds referred to in subsections (5) and (14) to a non-profit organization that is providing parks, playgrounds or other recreational facilities in the Municipality to be used for the acquisition of and capital improvements to those parks, playgrounds or other recreational facilities; and
 - (b) the interest on the funds referred to in subsections (5) and (14) to a non-profit organization that is providing parks, playgrounds or other recreational facilities in the Municipality to be used for the operation or maintenance of those parks, playgrounds or other recreational facilities.

Administrative Order 2020-009-ADM, the COVID-19 Administrative Order

- 3** Notwithstanding any other policy of Council, a
- (c) withdrawal from a reserve may be authorized by Council without the Audit and Finance Standing Committee reviewing and making a recommending on the impact to the Reserve.

RECOMMENDATION ON PAGE 2

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Decline the request for a contribution of \$750,000 to the Nova Scotia Nature Trust for its acquisition of the subject lands, as identified on Attachment A.

BACKGROUND

The Nova Scotia Nature Trust (Nature Trust) is a non-profit and charitable land trust that seeks to conserve natural areas through land conservation, land stewardship, and educational activities. The Nature Trust states that it:

“was created to protect and conserve our province’s incredible natural legacy. We work directly to save outstanding natural areas, through land conservation. We use a strategic, science-driven approach to identify and protect the most threatened, unique and significant natural areas. Together, with landowners, local communities, other conservation organizations and government we protect and steward wild places. We protect land in perpetuity, for nature and future generations to enjoy. The Nature Trust protects over 14,000 acres of land across Nova Scotia. These conservation lands will be protected — forever.” (Nature Trust Website)

As an indication of the Nature Trust’s financial scope, in 2018/19 it invested \$5.29 million (92% of expenses) in charitable programs including land conservation, stewardship, education and engagement. Its primary income is from donations and grants, along with funds from fundraising activities, investment income, and donated lands and easements (Nature Trust 2018/19 annual report).

In fall 2019, the Nature Trust announced that it has secured 232 hectares (ha) of lands (subject lands) from a private landowner that is located between two areas of provincial crown lands that are designated as the Blue Mountain-Birch Cove Lakes (BMBCL) Wilderness Area (Attachment A). They are to be obtained for conservation and related recreation purposes. The Nature Trust had originally indicated that it had until June 2020 to raise the funds and complete the acquisition, but it is working to extend this timeline given the situation with the COVID-19 pandemic. At the time of writing this report, the Nature Trust was hopeful on obtaining a time extension to late 2020.

The Nature Trust has a campaign to raise \$2,525,250 for the project, of which \$1,656,000 for the actual land acquisition. This is less than its appraised value based on a donation of part of the land value by the property owner. Remaining expenses are for HST, land securement and management costs, and stewardship costs including future open space planning and management (Table 1).

Table 1, Expenses (Nature Trust Proposal)

Expenses	\$ Amount
Land purchase	1,656,000*
Non-refundable portion of HST on land	155,250
Land donation	414,000
Other land securement and management planning costs (legal, survey, appraisal, negotiations, approvals, etc.)	100,000
Stewardship Endowment Funds	200,000 (minimum)
Total	2,525,250

*Fair Market Value \$2,070,000

In November 2019, the Nature Trust submitted a proposal to the municipality requesting a \$750,000 grant towards the acquisition (Attachment B). It has identified several other funding sources with prospective amounts as identified below (Table 2).

Table 2, Prospective Funding (Nature Trust Proposal)

Proposed Funding	\$ Amount
Municipal Funding Requested	750,000
Canada Nature Fund	500,000
Provincial Assistance	200,000
NS Crown Share Land Legacy Fund	500,000
Public Fundraising	161,250
Land Donation	414,000
Total	2,525,250

The Nature Trust has outlined reasons why the municipality should contribute to the acquisition, including:

- the subject lands are associated with the municipality’s interest in establishing the BMBCL Wilderness Regional Park;
- they are part of a core wilderness area with high ecological integrity;
- they provide landscape and ecological connectivity, bridging two otherwise isolated parts of the provincial designated Wilderness Area and a further habitat connection with the Chebucto Peninsula;
- land conservation in this area would provide a true accessible wilderness recreation experiences for hiking and canoeing that is readily accessible from urban areas;
- the contribution demonstrates action by the municipality to continue its ongoing commitment to BMBCL to making Halifax a more attractive place to live, work, visit, and invest; and
- without enough funds for the acquisition, the land might be the subject of deforestation from commercial lumber and be the subject eventual urban development.

If the subject lands are acquired by the Nature Trust, they would be managed to retain their ecological integrity and provide opportunities for wilderness recreation, including hiking, canoeing, and nature appreciation.

DISCUSSION

The remainder of this report considers the Nature Trust’s proposal with regard to the municipality’s strategic open space and community planning policies, the legislative framework for a funding contribution, and municipal financial considerations.

Open Space and Community Planning

The Halifax Green Network Plan (Green Network Plan) and the Regional Municipal Planning Strategy (Regional Plan) are relevant policy documents in considering the acquisition of the subject lands for conservation and recreational purposes.

Green Network Plan

HRM’s recently completed Green Network Plan identifies important open space areas, ecological functions, and landscape connections throughout the municipality. The Nature Trust indicates that the subject lands:

- are part of a core wilderness area with high ecological integrity; and
- provide landscape and ecological connectivity, bridging two otherwise isolated parts of the provincial designated Wilderness Area and a further habitat connection with the Chebucto Peninsula.

These observations are confirmed in the Green Network Plan with the following being noteworthy:

- Part of the subject lands are identified as a Core Area, which are areas of recognized biodiversity, rare forest or mature forest patches, riparian areas, and wetlands, which ideally should be protected against development (Attachment C).
- Wildlife habitat and landscape connectivity refers to the retention of corridors that connect important natural areas. Both Green Network Plan Map 5 and Map 9 identify that the subject lands are specifically located at an important point for establishing east-west connectivity between the two designated provincial lands.
- The subject lands provide potential connectivity between undeveloped wilderness lands located to the northwest, across Hammonds Plains Road. The Green Network Plan's Objective 4.1.3.1 identifies the idealized size of essential natural corridors as being greater than one kilometer in width and comprised of an intact natural habitat. The current characteristics of the subject lands meet both these parameters.
- The connection with the Chebucto Peninsula is identified within the Green Network Plan and is supported with the retention of the subject lands in a natural state.

Regional Plan

There are two factors related to the Regional Plan that warrant consideration: The implications of removing the subject lands from potential rural subdivision development; and, how the proposal may align to municipal policy intentions regarding conservation and their public use for recreation.

Rural Subdivision Development

If the subject lands were important for rural subdivision development, their retention in a natural state would not be ideal, however this is not the case for the following reasons:

- The majority are within the Rural Commuter designation (Attachment D). While this designation allows well and on-site septic residential subdivision development in limited situations, the subject lands are far removed from having necessary road frontage and are located within the Beaver Bank and Hammonds Plains Growth Control Area, where the development of new public roads for residential development is prohibited. In addition, the subject lands are not located near any rural growth centres identified in the Regional Plan.
- Retaining the subject lands in a natural state does not appear to inhibit future local road connections that might be needed to facilitate efficient transportation connections. With the designated provincial lands on either side of the subject lands and a watercourse through them, such future connections seem unlikely. In addition, no regional road connections through them are envisioned.

Relationship to BMBCL Park Development and Value for Recreational Open Space

The subject lands are identified with a broader BMBCL area that encompasses the adjoining designated provincial lands, but they are outside the conceptual boundary of the Regional Park shown on Map 11 of the Regional Plan (Attachment E). Consequently, they have not been the subject of municipal acquisition efforts or planning. Within the context of the existing Regional Plan, the municipality continues to place an emphasis on the BMBCL park boundaries that are identified on Map 11.

From a recreational open space perspective, the Nature Trust identifies that, "land conservation in this area would provide a true accessible wilderness recreation experiences for hiking and canoeing that is readily accessible from urban areas." Although these are same attributes that characterize much of the BMBCL lands and other wilderness areas, these features on the subject lands are of a high quality and provide recreational connectivity with the adjoining provincial lands. Together they provide an important canoe route and landscapes for hiking and nature appreciation.

Currently, there is no formal public access to the subject lands. This will, however, change over time, as adjoining lands are eventually developed, allowing connections to be achieved from new subdivision roads. Should NSNT be successful in acquiring these lands, the planning for the use of them in conjunction with the adjoining provincial lands would be anticipated to be carried out jointly by NSNT and the province.

Funding Amount and Rationale

The total acquisition expenditures that are cited by the Nature Trust for this project are \$2,525,250. However, this includes a variety of expenses, such as a donation by the current land owner, other land securement and management costs, and a stewardship endowment. The actual land cost is \$1,656,000, plus \$155,250 of non-refundable HST, for a total of \$1,811,250.

A grant of \$750,000 is a sizable contribution and a high proportion (approximately 41%) of the \$1,811,250 land acquisition costs. This is a larger contribution than many grants that the municipality has approved, such as the recent approval of \$250,000 towards the acquisition of land and a building for the Bus Stop Theatre (approximately 21% of \$1,210,000). However, a similar example of such a magnitude of funding, but in reverse, is the municipality's recent acquisition of Shaw Wilderness Park for \$6,600,000. The Nature Conservancy of Canada contributed \$2,500,000 (approximately 38% of \$6,600,000), with the condition that the lands be retained in a natural state in perpetuity, with passive recreation use allowances. A grant to the Nature Trust is a reasonably consistent proportion of funding.

Findings and Municipal Funding

Based on the attributes of the subject lands relative to the municipality's strategic open space and community planning policies and particularly their use for wilderness recreation, there is merit to the Nature Trust's acquisition. However, the municipality's financial situation is a challenge in supporting the request. The magnitude of the grant would normally be through the annual budget process or through reserve withdrawals, such as strategic reserves. The financial situation as a result of Covid-19 means not only are this year's revenues impacted, but the future is unknown. Until there is a better understanding of the municipality's finances on a longer term, it is recommended that Regional Council not approve the request from the Nature Trust, regardless of the merits of the lands as outlined above.

Supporting the Request as an Alternative

Despite the municipality's financial situation, if Regional Council wished to approve funding to the Nature Trust, consideration could be given using the municipality's Parkland Reserve. It is unlike most of the municipality's other reserves in that it is completely funded through subdivision fees that are collected when a dedication of parkland cannot be provided or there is already enough parkland within the area within which a subdivision is located. It can only be used "...for the acquisition of, and capital improvements to, parks, playgrounds and similar public purposes..." (Charter, subsection 283(5)). It also establishes that, "... Council may transfer (a) the funds referred to in subsections (5) and (14) to a non-profit organization that is providing parks, playgrounds or other recreational facilities in the Municipality to be used for the acquisition of and capital improvements to those parks, playgrounds or other recreational facilities" (section 283(6)).

The terms of reference for the use of the Parkland Development Reserve are that expenditures need to be consistent with the Charter. Pursuant to the Charter, the Nature Trust is a non-profit organization and provided that the subject lands were managed as parkland with general public access, Regional Council could approve the requested expenditure from the Parkland Reserve.

An additional consideration is that the requested municipal contribution is substantially higher than other expected funding sources, without knowing if those contributions might exceed the Nature Trust's needs. On this basis, if Regional Council chose to fund the request, the municipal contribution should be capped at 30% of the funds raised by the Nature Trust, to a maximum of \$750,000 (\$750,000 is 30% of the Nature Trust's \$2,525,250 prospective funding identified in Table 2). If Regional Council chose to approve the grant with funding from the Parkland Reserve, terms and conditions for the funding should be as outlined in Table 3.

Table 3, Terms and Conditions for the Municipal Contribution to the Nature Trust

Total Municipal Contribution	Funding of up to 30% of the total funding obtained by the Nature Trust (as referenced in Table 2) to a maximum of \$750,000, confirmed in a form that is satisfactory to HRM.
Timeframe	One-time contribution following completion of a contribution agreement
Contribution Agreement	That the CAO be directed to negotiate a contribution agreement with the Nature trust with terms and conditions which include: <ul style="list-style-type: none"> that the subject lands be managed and used as a park, largely remaining in a natural state, with general public access for recreation that includes hiking, canoeing, and general nature appreciation, in perpetuity.

Conclusion

There is merit to funding the Nature Trust’s acquisition to support the conservation of the lands in a natural state and their recreational use by the public. However, with the municipality’s financial situation funding support is not recommended. Although the municipality’s Parkland Reserve could be used, with unknown future financial pressures the municipality may need to use this reserve for other pressing parkland needs.

FINANCIAL IMPLICATIONS

As noted, the funding proposal should not be supported as the municipality faces unknown probable financial challenges into the future. The financial implications to the Parkland Reserve below are therefore only provided for information, should Regional Council consider granting the funding request. The details of the potential withdrawal from the Parkland Development Reserve Q611 would be as follows:

Budget Summary Q611 Parkland Development Reserve:

Projected Net Available Reserve, March 31, 2020	\$5,745,532
Budgeted (proposed) Contribution 2020/21	\$852, 300
Budgeted (proposed) Withdrawals 2020/21	\$(100,000)
Requested grant withdrawal for grant 2021/22	<u>\$(750,000)</u>
Prospective balance	\$5,747,832

In addition to a potential grant of a maximum of \$750,000 from the Parkland Development Reserve, the acquisition of the subject lands by the Nature Trust would represent an indirect opportunity cost to HRM. First, under the Nova Scotia Conservation Lands Tax Exemption Act, the Nature Trust can apply for exemption, resulting in the loss of an existing tax revenue to HRM (This was \$172 in 2019). Secondly, under section 109 of the *Municipal Government Act*, a registered charity can make application to the municipality for a waiver of Deed Transfer Tax, which would be approximately \$24,840 (1.5% of \$1,656,000).

RISK CONSIDERATION

The risk in the recommendation to Regional Council is that the Nature Trust will not be able to secure the subject lands, but this is unknown and is dependent upon discussions between it and the landowner.

COMMUNITY ENGAGEMENT

There has been no community engagement in the preparation of this report.

ENVIRONMENTAL IMPLICATIONS

The conservation of the subject lands has overall environmental benefits within the municipality, although these have not been quantified for this report.

ALTERNATIVES

1. Regional Council may choose to approve the requested funding or a lesser amount to the Nature Trust, subject to the terms and conditions contained in Table 3. If Regional Council chose to direct that the funding be allocated from the Parkland Reserve, then the following motion would be required:

“That Halifax Regional Council

1. Authorize and approve the withdrawal of up to \$750,000 from the Parkland Development Reserve Q611; and
2. Direct the Chief Administrative Officer to negotiate a contribution agreement to a maximum of \$750,000 with the Nova Scotia Nature Trust for its acquisition of the subject lands identified on Attachment A based on the terms and conditions set out in Table 3, and
3. Authorize the Chief Administrative Officer to execute the resulting agreement on behalf of the Municipality.”

Under the new *Covid-19 Administrative Order*, Council may authorize this withdrawal without a recommendation from the Audit and Finance Standing Committee.

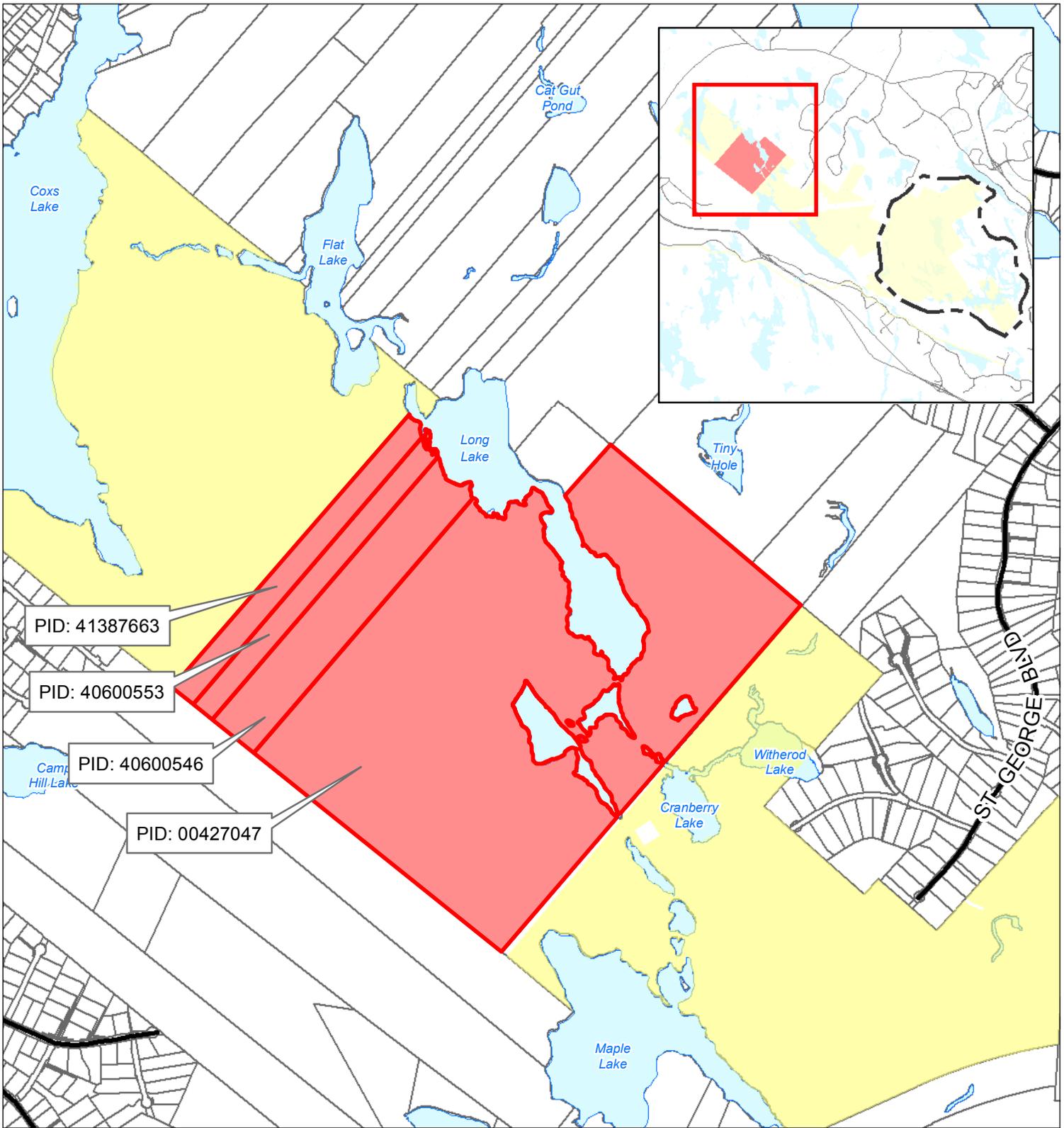
2. Regional Council may choose to support the request from NSNT but direct staff to determine an alternative funding arrangement that may not require the same conditions as using the Parkland Reserve than that which has been identified in this staff report. This would require a follow up report.

ATTACHMENTS

Attachment A Subject Lands
Attachment B Nova Scotia Nature Trust Proposal
Attachment C Halifax Green Network Plan – Landscape Connectivity
Attachment D Municipal Planning Designations
Attachment E BMBCL Regional Plan

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.

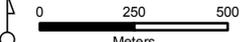
Report Prepared by: Richard Harvey, Manager of Policy and Planning, 902.476.5822



SUBJECT LANDS

-  Conceptual Wilderness Park Boundary
-  BMBCL Wilderness Area (NSE)
-  Subject Lands

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November 22, 2019

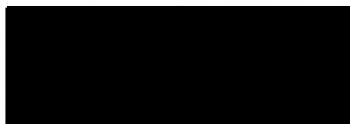
Dear Mayor Savage,

Thank you so much for your interest in the Nature Trust's conservation efforts in the Blue Mountain Birch Cove Lakes. As discussed when we met with you recently, we have secured the opportunity to acquire a highly strategic property for fulfilling the City's vision for the Wilderness Park. We are delighted to hear that the City is keen to a partner in this effort and enclose a request for funding as recommended.

We look forward to hearing from your office and to partnering in ensuring that future generations of Nova Scotians and visitors alike can experience the magic of our unique natural legacy, minutes from downtown Halifax.

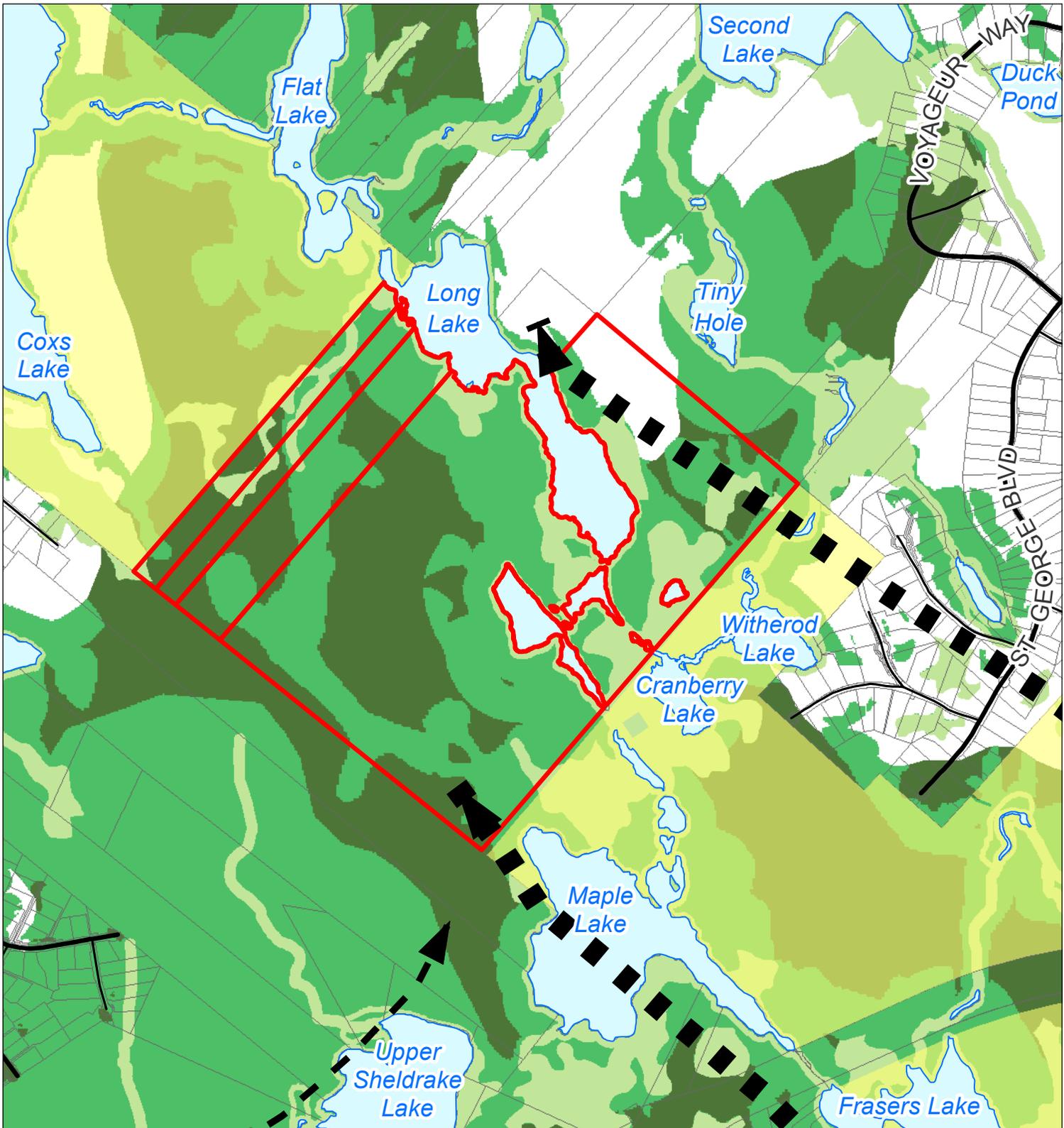
Please let me know if you require any additional information.

Sincerely,



Bonnie Sutherland
Executive Director

cc. Jacques Dube, CAO
Tony Mancini, Deputy Mayor
Richard Harvey, Manager of Policy and Planning



HALIFAX GREEN NETWORK PLAN - ECOLOGY MAP

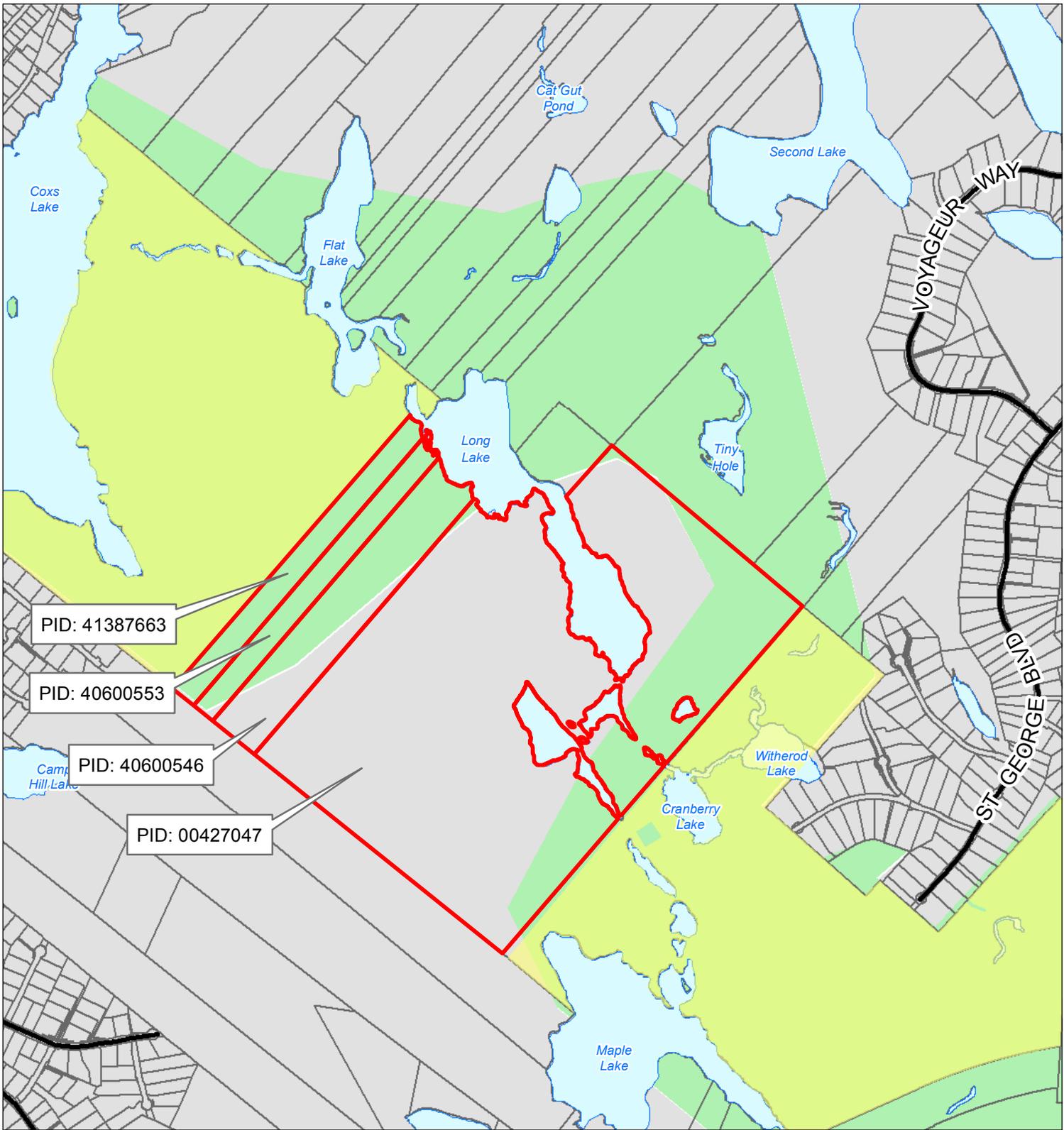
- Subject Lands
- BMBCL Wilderness Area (NSE)

Ecological Value & Landscape Connectivity as taken from HGNP Map 5

- Regulated Areas
- Areas of High Environmental Value Overlap
- Core Areas and Corridors
- Essential Corridor
- Important Corridor

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MUNICIPAL PLANNING DESIGNATIONS

- Subject Lands
- BMBCL Wilderness Area (NSE)

Regional Plan (2014) Generalized Future Land Use

- Rural Commuter Designation
- Open Space and Natural Resources Designation

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Map 11

Blue Mountain - Birch Cove Lakes Conceptual Park Area

Legend

-  Park Boundary (Concept)
-  Core Wilderness (Back Country)
-  Cox Lake Park Reserve
-  Blue Mountain - Birch Cove Lakes Wilderness Area (designated 2009)
-  Greenbelting corridor concept (Map 4, corridor 5)
-  Proposed Route (HWY 113)
-  10m contour



The following is a graphical representation and although care has been taken to ensure the best possible quality, HRM does not guarantee the accuracy of this document.

Notes: This map demonstrates a vision to be implemented over the life of the Regional Plan, through various tools, subject to financial ability and community interest.

