



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

Item No. 15.2.1
Halifax Regional Council
October 26, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: **Original Signed**

Councillor Cathy Deagle Gammon, Chair, Grants Committee

DATE: October 19, 2021

SUBJECT: **Less than Market Value License Agreement – Mic Mac Amateur Aquatic Club, 192 Prince Albert Road, Dartmouth**

ORIGIN

October 18, 2021 meeting of the Grants Committee, Item 9.1.1.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter

Section 61

Powers of the Municipality regarding property:

- (1) The Municipality may acquire and own property granted or conveyed to the Municipality either absolutely or in trust for a public or charitable purpose.
- (3) The property vested in the Municipality, absolutely or in trust, is under the exclusive management and control of the Council, unless an Act of the Legislature provides otherwise

RECOMMENDATION

It is recommended that Halifax Regional Council enter into a less than market value license agreement with Mic Mac Amateur Aquatic Club for a portion of PID # 00636290, lands adjacent to 192 Prince Albert Road, (the "License"), and authorize the Mayor and Municipal Clerk to execute the License, as per the key terms and conditions set out in Table 1 in the discussion section of the attached staff report dated August 6, 2021 (Attachment A).

BACKGROUND/DISCUSSION

The Grants Committee received a staff recommendation report dated August 6, 2021 (Attachment A), at their October 18, 2021 meeting.

The Grants Committee reviewed the staff recommendation report (Attachment A) and approved the recommendation as outlined in this report.

For further discussion on this item, refer to the attached staff report dated August 6, 2021 (Attachment A).

FINANCIAL IMPLICATIONS

Financial implications are outlined in the attached staff report dated August 6, 2021 (Attachment A).

RISK CONSIDERATION

Risk consideration is outlined in the attached staff report dated August 6, 2021 (Attachment A).

COMMUNITY ENGAGEMENT

The agenda and reports of the Grants Committee are posted on Halifax.ca, and draft minutes of the meeting will be made available on Halifax.ca within three business days.

ENVIRONMENTAL IMPLICATIONS

Environmental implications are outlined in the attached staff report dated August 6, 2021 (Attachment A).

ALTERNATIVES

The Grants Committee did not provide alternatives.

For further information on alternatives as it relates to this item, refer to the attached staff report dated August 6, 2021 (Attachment A).


ATTACHMENTS

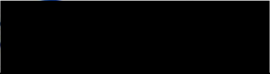
Attachment A – Report dated August 6, 2021 received by Grants Committee

A copy of this report can be obtained by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Jill McGillicuddy, Legislative Assistant 902.483.2810

TO: Chair and Members of Grants Committee

SUBMITTED BY:  (Original Signed)
Denise Schoffeld, Executive Director, Parks and Recreation

 (Original Signed)
Jacques Dube, Chief Administrative Officer

DATE: August 6, 2021

SUBJECT: Less than Market Value License Agreement – Mic Mac Amateur Aquatic Club,
192 Prince Albert Road, Dartmouth

ORIGIN

This report originates from staff and the requirement of the Halifax Regional Municipality to have a current formal agreement with any group or organization occupying or operating any portion of HRM Real Property.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter
Section 61

Powers of the Municipality regarding property:

- (1) The Municipality may acquire and own property granted or conveyed to the Municipality either absolutely or in trust for a public or charitable purpose.
- (3) The property vested in the Municipality, absolutely or in trust, is under the exclusive management and control of the Council, unless an Act of the Legislature provides otherwise

RECOMMENDATION:

It is recommended that the Grants Committee recommend Halifax Regional Council enter into a less than market value license agreement with Mic Mac Amateur Aquatic Club for a portion of PID # 00636290, lands adjacent to 192 Prince Albert Road, (the "License"), and authorize the Mayor and Municipal Clerk to execute the License, as per the key terms and conditions set out in Table 1 in the discussion section of this report.

BACKGROUND

Established in 1923 and known at that time as the Mic Mac Aquatic Club, the Mic Mac Amateur Aquatic Club (the Club), is located on historic Lake Banook in Dartmouth NS. It is a non-profit organization that fosters community involvement and personal growth through social, recreational, and athletic endeavors. For over 90 years, the Club has contributed to the development of rowing and paddling in Nova Scotia and has produced numerous athletes who have earned the privilege to compete and achieve success in Canada Games, National Championships, World Championships and the Olympic Games. The Club offers programs for beginners (ages 5 -15) as well as elite or high-performance athletic training. It is a full-service facility on the shores of Lake Banook with rental space available for a variety of events and group sizes.

The Club owns the clubhouse as well as the lands on which it is constructed. In addition to owning, maintaining and programming the clubhouse, the Club is the main organizer and caretaker of the beach area and water course. The beach area adjacent to the south of the building, is owned by HRM and has historically been used by the club for programming purposes for a number of years. No agreement has supported this use.

DISCUSSION

The club's programs and services align with HRM's council priority area of communities and specifically priority outcomes related to involved and inclusive communities. Without volunteers and clubs of this nature providing this alternative service delivery, these types of offerings may not otherwise be provided or would be expected by the community to be provided by HRM. As such, a less than market value license is recommended as it supports the provision of a service which benefits the community.

The authority to enter into a less than market value license agreement lies within the *Halifax Regional Municipality Charter*. Authority to enter into less than market value rental agreements of periods less than a year and up to \$25,000 has been delegated to staff under Administrative Order 58 (Order). The Order authorizes less than market rent to be charged where (a) the entity is a non-profit organization; (b) the non-profit organization is using, in whole or in part, municipal lands; and (c) the non-profit is holding a recreational event. Because the proposed term of the license is more than one year, approval by Regional Council is being sought.

The Club have signed an Offer to License, subject to municipal approvals. A map of the proposed licensed area and existing property is attached (Attachment 1). 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 is \$15,000 per annum and as such represents an opportunity cost to the municipality of that amount under the proposed less than market value license. A license agreement is the appropriate agreement as the club will not enjoy exclusive access to the area proposed under the agreement.

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

Table 1

Recommended Key License Terms & Conditions	
Property Address	Lands Adjacent Prince Albert Road, along the shoreline of Lake Banook, Dartmouth (A Portion of PID 00636290)
Licensor	Halifax Regional Municipality
Licensee	Mic Mac Amateur Aquatic Club
Base Rent	\$1.00 per annum plus additional charges as applicable
Premises Area	Approximately 6,426 square feet
Term	Twenty (20) years (September 1, 2021 to the last day of August 2041)
Permitted Use	Mic Mac Amateur Aquatic Club activities, facility rentals, community events and other related activities
Property Tax	The Licensee shall be responsible for any applicable property taxes based on assessed value resulting from their license, plus applicable HST. HRM shall issue an invoice to the Club.
Specific Conditions	<p>The Licensee shall be responsible for:</p> <ul style="list-style-type: none"> • all operating costs and other associated costs related to the licensed area • lifeguarding duties for club related programming • all maintenance and repairs to the accessory building and docks, and all associated operating costs • alarm system related costs including monitoring and all false alarm charges • all landscaping maintenance including but not limited to mowing, trimming, raking, and litter removal for the licensed area • regular garbage, recycling, compost, etc. removal from the site • snow clearing & ice control as needed • maintain registered non-profit status with the Nova Scotia Registry of Joint Stocks • obtain HRM's consent for any proposed change of use • maintain Commercial General Liability insurance in the amount no less than \$5,000,000. 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 named on the policies as additional insured • obtaining prior permission from HRM for any structure, signage, dock/float installation <p>The Landlord shall:</p> <ul style="list-style-type: none"> • provide Mic Mac Amateur Aquatic Club with access to HRM-owned lands
Condition	The Licensee accepts the Premises on as "as is" basis
Access	<p>HRM grants permission for the Licensee and their invitees to have access to a portion of beach area known as PID 00636290, lands adjacent to 192 Prince Albert Road.</p> <p>The Licensee shall have exclusive access to the licensed area Monday to Friday 7:00 am until 6:00 pm and also for occasional special events subject to HRM's prior approval. The general public shall have access outside of these times.</p>
Notice	Either party shall have the option to terminate this agreement upon providing 60 days written notice to the other party at any time and for any reason

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 in the amount of \$15,000 per annum.

The tenant shall be responsible to pay property taxes as they fall due and are invoiced by HRM. Should Regional Council approve the inclusion of Mic Mac Amateur Aquatic Club to Administrative Order 2014-001-ADM Tax Relief to Non-Profit Organizations, the amount offset will represent additional 'operating grant' from HRM.

RISK CONSIDERATION

Defining the license area in the immediate control of Mic Mac Amateur Aquatic Club provides clear lines of responsibility. Having a valid License Agreement in place also reduces the risk considerations to HRM associated with unlicensed use of lands. The licensee will be required to mitigate any risks to public use.

COMMUNITY ENGAGEMENT

The Board of Directors for Mic Mac Amateur Aquatic Club is made up of members of the community.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Alternative 1: The HRM Grants Committee could recommend that Regional Council license the property at market value to the Mic Mac Amateur Aquatic Club.

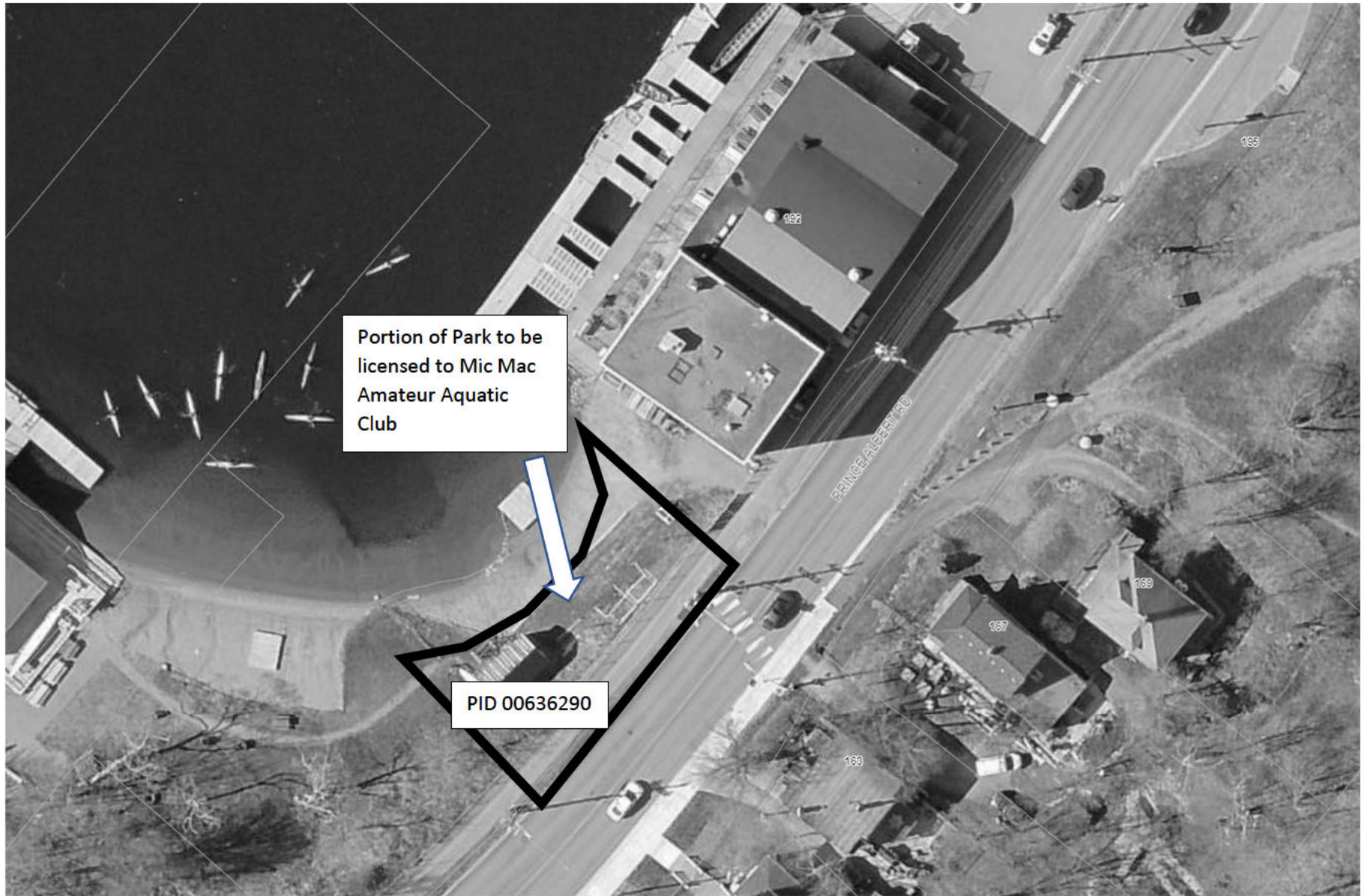
Alternative 2: The HRM Grants Committee could recommend that Regional Council direct the CAO to negotiate different terms for the agreement to the Mic Mac Amateur Aquatic Club. This would require additional negotiation with the group and a supplementary report.

ATTACHMENTS

Attachment 1: Site Map & Licensed Area

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: Trish Higby, Partnership Coordinator, Community Partnerships, 902 490-1808
Mike Cowper, Senior Real Estate Officer, Corporate Real Estate, 902 943-6993



Portion of Park to be licensed to Mic Mac Amateur Aquatic Club

PID 00636290

PRINCE ALBERT RD