

TO: Mayor Savage and Members of Halifax Regional Council

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

DATE: January 12, 2022

SUBJECT: **Administrative Order 50: Disposal of Surplus Real Property – a Portion of PID 40454662, North Preston Community Centre Park, 44 Simmonds Road, North Preston**

ORIGIN

March 27, 2018 – Regional Council approved substantive amendments to the Community Interest category of Administrative Order 50 that included the inception of Schedule 1 and Schedule 2 respecting cost recoveries and a Direct Sale option in addition to the existing Call for Submissions process.

July 9, 2021 – Correspondence dated July 9, 2021 was received from the North Preston Medical Society requesting to purchase by direct sale a portion of vacant land that forms part of the North Preston Community Centre Park.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, 2008, S.N.S c.39

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.

(2) A resolution to sell or lease property referred to in subsection (1) at less than market value shall be passed by a two-thirds majority of the Council present and voting.

(3) Where the Council proposes to sell property referred to in subsection (1) valued at more than ten thousand dollars at less than market value, the Council shall first hold a public hearing respecting the sale

(4) The Council shall advertise the public hearing at least twice, in a newspaper circulating in the Municipality, the first notice to appear at least fourteen days before the hearing.

(5) Notice of the public hearing shall include the date, time and place of the hearing, the location of the real property or description of the tangible personal property, the estimated value of the property and the purpose of the sale.

Administrative Order 50, the Disposal of Surplus Real Property Administrative Orders

Section 2(2)(b) Community Interest.

2(2) The Municipality will dispose of real property Council determines is no longer required for the purposes of the Municipality. Staff will identify surplus properties by the following categories:

RECOMMENDATION ON PAGE 3

Community Interest

- (b) Properties known to have potential for community use, in particular where:
 - (i) there has been a prior community or institutional use of the property; or
 - (ii) by location or scarcity of available property the consideration would reasonably arise.

Schedule 1 Disposal of Community Interest Properties

Section 11 Direct Sale Request

- (1) A non-profit organization may make a request to purchase, by Direct Sale, a community interest property owned by the Municipality.
- (2) If a request to purchase a community interest property by Direct Sale is received by the Municipality and the subject property has not been declared surplus and classified as a community interest property, the request must:
 - (a) be included in the next review provided to Council pursuant to subsection 3(1) of this Administrative Order; or
 - (b) be forwarded to Council with a report and recommendation respecting the property.
- (3) No action may be undertaken by the Municipality in respect of the request to purchase except those actions required to satisfy subsection 2 of this section.
- (4) For greater certainty, the property may only be sold by Direct Sale if the property is declared surplus by Council, is categorized as community interest property by Council in accordance with this Administrative Order, and sections 7, 8, 9, 11, 12 13, and 14 are satisfied.
- (5) If Council decides to proceed by Direct Sale, such decision must be made at the same meeting where the property is categorized as community interest property.
- (6) An applicant will have up to 90 days to submit to the Municipality the information that would otherwise be required under section 8.

Direct Sale – General Procedure

Section 12. A Direct Sale shall be allowed as determined by Regional Council.

Section 13. Unless Council directs otherwise, a Direct Sale may be considered without

- (a) a public advertising; and
- (b) a public meeting.

Schedule 2 Schedule of Transaction Fees: Community Interest Real Property Disposal

- 1. The purchase price shall include the following transaction fees:

Migration and Deed Fees for the Property	maximum \$2,500 per property transaction, plus HST
Appraisal/Comparative Market Analysis	lesser of 50% of the cost of the appraisal or \$2,500 per property transaction, plus HST
Plan of Survey for the Subdivision of Land, Including Lot Consolidation, legal description and deed	full cost recovery

RECOMMENDATION

It is recommended that Halifax Regional Council direct the Chief Administrative Officer to

1. Declare those portions of PID 40454662 located at 44 Simmonds Road, North Preston, shown in Attachment A of this report as Parcel “A” and Parcel “B” (collectively the “**Property**”), surplus to municipal purposes, subject to subdivision approval;
2. Categorize the Property as a Community Interest property (the “**Community Interest Property**”) in accordance with Section 2(2)(b) of Administrative Order 50;
3. Sell the Community Interest Property via the Direct Sale process set forth in Schedule 1 of Administrative Order 50, subject to and, in support of such process, authorize the Chief Administrative Officer to invite the North Preston Medical Society to submit, within 90 days of Council approval of the foregoing recommendations, a written proposal to acquire the Community Interest property, and such proposal is to meet all Direct Sale requirements under Schedule 1 of Administrative Order 50; and
4. Waive the requirements, as set forth in Section 13 of Administrative Order 50, for a public information meeting and an advertisement notifying the public of Council’s consideration of the Direct Sale process for this Community Interest property.

BACKGROUND

Incorporated in 1970 under the former name North Preston Medical and Child Care Society, the North Preston Medical Society (“the Society”) own and operate a small facility located at 52 Cain Street, North Preston. The premises were used for a drop-in medical clinic and then expanded with the addition of a daycare; the medical service subsequently relocated to the North Preston Community Centre. 2021 was the 50th Anniversary of the Society’s childcare services at this location and to mark the occasion a major renovation project will be undertaken to modernize and improve the building assisted by a grant of \$100,000 from Employment and Social Development Canada. In support of this project, the Society has requested HRM convey an area of approximately 2,500-3,000 square meters of the North Preston Community Centre Park that abuts the rear of their property to expand on-site programming. This area is identified as “Parcel A” on Attachment A of this report. HRM Parks & Recreation has confirmed that this area of land is not used for municipal programming.

An initial review of the Society’s request has identified an issue with respect to street frontage for the existing daycare facility. Presently access to the Society’s property is over a portion of PID 40454662. To remedy this issue, the conveyance of that portion of HRM land improved by the Society through the construction of a parking lot will also be considered as part of a direct sale process. This area is identified as “Parcel B” on the site map in Attachment A of this report. The additional area of land comprises approximately 5,400 sf to be confirmed by survey. This corrective action will require subdivision from the parent parcel in such a manner as to retain HRM’s paved walkway which provides pedestrian access to the rear of the North Preston Community Centre and Park from Cain Street.

DISCUSSION

Staff are recommending Regional Council declare two parcels of land identified in Attachment A surplus to HRM’s operational requirements and consideration of a direct sale based on the following:

- the area of land to the rear of the building owned by the Society (“Parcel A”) has no road frontage and as such has limited utility or marketability.

- conveyance of that portion of land that has been developed as the parking lot and front entrance to the Society’s property (“Parcel B”) to remedy a non-conforming use; and
- to acknowledge the North Preston Recreational Association, a nonprofit society incorporated in 1969 to advance recreational opportunities in the community and the former owner of some of the lands acquired by the Municipality in the development of the North Preston Community Centre and Park.

Although the combined market value of Parcel “A” and Parcel “B” have not been determined through an independent appraisal it is anticipated the market value will trigger a public hearing. However, it is expected that this value will be below \$250,000 and therefore the scoring criteria shown below in Table A have been included in this report.

The recommendation to not conduct a public information meeting and related advertisement is based on the limited utility of Parcel “A” and the fact that “Parcel B” has already been improved through the construction of a parking lot by the abutting property owner (the North Preston Medical Society). The utility of both parcels is associated with the Society’s current property holding and their established programming. Competing interests are not anticipated but should other property owners abutting the North Preston Community Centre and Park or residents have concerns the public hearing is an opportunity to address Regional Council.

Direct Sale Submission Requirements: If Council approves a direct sale consideration, the applicant(s) must provide the following in their proposal (full details of the proposal requirements are set forth in Section 8 of Schedule 1 of Administrative Order 50):

- proof of registration status and a copy of their Articles of Incorporation;
- a description of the organizations and its programs or services;
- a description of the intended use;
- financial statements for the prior 3 years;
- a simple 5-year capital and operating plan; and
- the proposed terms and conditions of the offer of purchase (purchase price, requested closing date, costs as described in Schedule 2 of the Administrative Order).

HRM will provide the applicant with copies of any technical reports on file, as applicable. The applicant has up to 90 days from Council’s determination of the direct sale process to submit a proposal.

Evaluation Process and Criteria: An inter-departmental staff team will evaluate the proposal in accordance with the criteria set out in Section 15 of Schedule 1 of the Administrative Order. The evaluation of submissions varies slightly based on the property’s value: for property valued at \$250,000 or below more points are awarded for Benefit to the Community and Benefit to the Municipality. The evaluation weighting is shown below in Table A.

Table A. Weighted Scoring Property Valued \$250,000 or below		
Criteria	Description	Points
<i>Viability</i>	The probability of the applicant’s ability to operate the property based on past experience or related successes, financial stability, and demonstrated planning.	35
<i>Benefit to the Community</i>	The extent to which the intended use of the property will benefit the local geographic community or an identified nonprofit sector in terms of program or service continuity; addressing a gap in a program, service, or amenity; or the property’s cultural or historical significance.	35
<i>Benefit to the Municipality</i>	This is statutory criteria under the HRM Charter and must be included in Council’s decision. Applicants should clearly describe	20

	and demonstrate the need for the program or service to be offered using the property.	
<i>Compensation</i>	The purchase price and closing costs included in the offer to purchase.	10
Total		100

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report at this time. If the staff recommendations are approved, the market value and recommended terms and conditions of conveyance will be the subject of a separate recommendation report following receipt and review of the North Preston Medical Society's proposal.

RISK CONSIDERATION

Low. The recommendations in this report are procedural but should the subdivision approval be declined or delayed the Municipality could consider a less than market value land lease agreement as an interim or longer term means of assistance. Access to the North Preston Medical Society's property from Cain Street will be examined in more detail through the evaluation process.

COMMUNITY ENGAGEMENT

Where it is anticipated that conveyance of a portion of park land to the abutting property owner will support established programs and services delivered primarily to residents of the North Preston community engagement has not been undertaken. If the lands are valued at \$10,000 or above a public hearing will be required in accordance with legislation.

ENVIRONMENTAL IMPLICATIONS

Any environmental records in the Municipality's possession will be shared with the proponent.

ALTERNATIVES

Halifax Regional Council could instruct the Chief Administrative Officer not to proceed with a subdivision and sale.

ATTACHMENTS

Attachment A - Site Plan: Parcel A and Parcel B

Attachment B - Correspondence from the North Preston Medical Society to Halifax Regional Municipality

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: Peta-Jane Temple, Team Lead Grants & Contributions, Finance & Asset Management
902.490.5469;
Chad Renouf, Senior Real Estate Officer, Corporate and Customer Services
902.943.8326.

HALIFAX

ATTACHMENT 'A'- SITE PLAN



SITE PLAN LEGEND



PARCEL A –
WEST SIDE PORTION - LANDS OF
NORTH PRESTON COMMUNITY CENTRE
HRM PROPERTY PID# 40454662
APPROX. AREA: 26,900SQFT
(VACANT)



PARCEL B –
EAST SIDE PORTION - LANDS OF
NORTH PRESTON COMMUNITY CENTRE
HRM PROPERTY PID# 40454662
APPROX AREA: 5,000SQFT
(PORTION OF NPMS PARKING AREA)

DRAWING NOT TO SCALE AND IS FOR GRAPHICAL USE ONLY - AREAS SUBJECT TO SURVEY

July 9, 21

To Halifax Regional Municipality

Attention; Councilor David Hendsbee

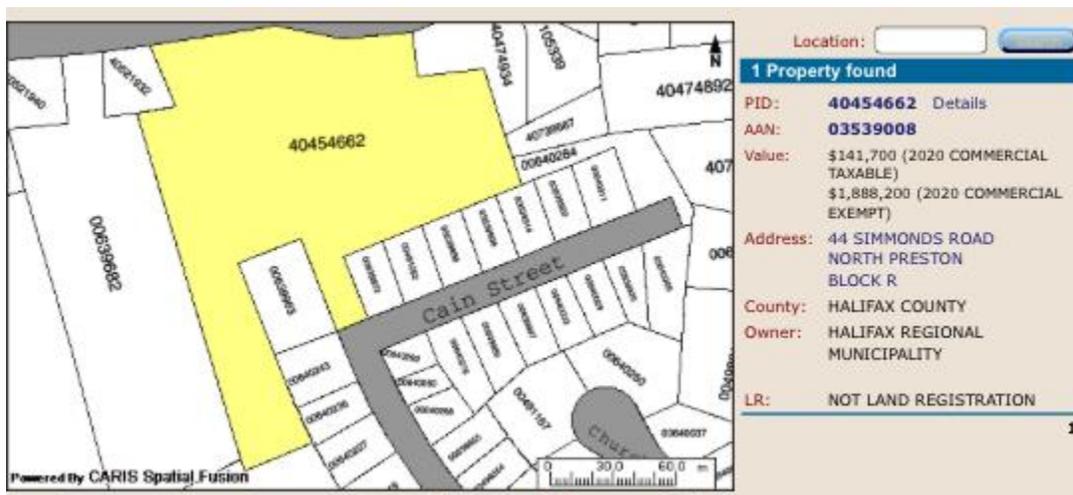
From: NP Medical Society Board. 52 Cain St., North Preston

Please accept this letter as a formal request to own the portion of land behind our present building, the North Preston Day Care Centre. You may be aware that this year 2021 marks the anniversary of our 50th year of service to the infants and children of the community. Our hope is that we lead future generations of children and parents towards brighter futures with the upgrade and renovation campaign.

We have begun a campaign of sponsorship and support towards the Anniversary Renovation Project. It is our hope to upgrade heating, cooling, lighting, and the structure of the facility, and to renovate the basement and entry levels of the building to include space for open space play, a board room, a historical multipurpose space, and a family resource Centre. We have received \$100,000.00 presently from Employment and Social Development Canada and have a committed group of community folk involved in the coordination. It is our intention that this upgrade will also include making the complete building more accessible to children, and parents with disabilities therefore we are currently seeking further financial support specific to those needs.

Presently these lands, directly behind the Day Care Centre southward are not being accessed and appear to have access difficulties. We understand that a property appraisal on this portion will be required, and a legal survey to separate this land from the North Preston Community Centre property. We are continuing the search for financial support to cover the cost of the necessary administrative and survey fees. Acquiring this portion of the land will allow the Centre the ability to expand programming to include the entire family. Accessing the lands can allow both indoor and outdoor planning. This is something we know is critical to healthy development. With this, we can *launch brighter futures*.

You will be familiar with the image below.



Thank you in advance for your assistance. We look forward to your response and the response from Council regarding this matter. We will greatly appreciate your support through this process.

Sincerely

Mr. Steven Cain
Chairperson NP Medical Society Board.

cc. Councilor Lindell Smith
cc. MP Keith Colwell