

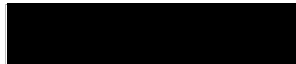


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**Item No. 9.1.1**  
**Grants Committee**  
**May 9, 2022**

**TO:** Chair and Members of Grants Committee

**SUBMITTED BY:**



Denise Schofield, Acting Chief Administrative Officer

**DATE:** March 5, 2022

**SUBJECT:** **Less than Market Value Lease: Lions Club of Sackville – 101 Old Beaver Bank Road, Lower Sackville NS, PID 40014599**

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**ORIGIN**

This report originates from staff and the requirement of the Halifax Regional Municipality to have a current lease agreement with any group or organization owning or operating any portion of HRM Real Property. The Sackville Nova Scotia Lions Club has an expired land lease with HRM with an anticipated new lease term of ten (10) years. The Lions Club use the land for the operation of the Lions Den and associated parking. Club activities include community fundraising and community-oriented events.

**LEGISLATIVE AUTHORITY**

*Halifax Regional Municipality Charter, SNS 2008, c 39:*

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.

(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 the Grants Committee recommend that Halifax Regional Council approve a less than market value lease agreement with the Lions Club of Sackville for PID 40014599 at 101 Beaver Bank Road, as per the key terms and conditions set out in Table 1 in the discussion section of this report and authorize the Mayor and Municipal Clerk to execute the approved less than market value lease agreement.

## **BACKGROUND**

The Lions Club of Sackville is a registered non-profit organization that was founded in 1970. It is operated by a Board of Directors offering wide range community services that support families and individuals. Membership is open to all individuals in the community. They have operated at this site via various lease agreements with the former County of Halifax since 1980. The Lions Club of Sackville is seeking to enter into a new lease for a ten (10) year period.

The Lions Club of Sackville own the facility which includes a Clubhouse with a lounge, meeting rooms and indoor recreational space located on lands owned by HRM. Adjacent lands owned by the Province of Nova Scotia currently provides additional access and overflow parking for the Lions Club operations.

HRM is seeking to establish a regional Active Transportation trailhead location for general public access at the rear of the club with three dedicated accessible parking spaces. The parking design and location for three accessible parking spaces on the subject property has been reviewed and approved by the club.

The Lions Club of Sackville is responsible for all aspects of the facility operation.

## **DISCUSSION**

The current lease between HRM and the Lions Club of Sackville that allows the facility to operate on HRM owned property has expired and is in a hold-over period.

The Lions Club of Sackville agreed to sign an Offer to Lease, subject to Municipal approvals for a ten (10) year period. 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 of \$6,500 per annum.

The Lions Club of Sackville conducts extensive fundraising for community initiatives. They will be responsible for snow clearing of the parking lot including three spaces to be designated for trail parking for the adjacent multi use pathway. Because of these factors a less than market value lease is recommended.

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

**Table 1**

<b>Recommended Key Lease Terms &amp; Conditions</b>	
<b><i>Property Address</i></b>	101 Old Beaver Bank Road PID 40014599
<b><i>Landlord</i></b>	Halifax Regional Municipality
<b><i>Tenant</i></b>	Lions Club of Sackville
<b><i>Premises Area</i></b>	Approximately 30,000 square feet, actual area may be verified by survey
<b><i>Base Rent</i></b>	\$1.00 per annum plus additional charges as applicable
<b><i>Term</i></b>	Ten (10) years (June 1, 2022 to the last day of May 31, 2032)
<b><i>Commencement Date</i></b>	June 1, 2022
<b><i>Permitted Use</i></b>	Lions Club of Sackville activities, facility rentals, community events and other related activities
<b><i>Property Tax</i></b>	The Tenant shall be responsible for any applicable property taxes based on assessed value resulting from their lease, plus applicable HST. HRM shall issue an invoice to the club.
<b><i>Specific Conditions</i></b>	The tenant shall be responsible for: <ul style="list-style-type: none"><li>• all utilities; including heat and power</li></ul>

	<ul style="list-style-type: none"> <li>• Provide vehicular and pedestrian access to the adjacent multi use pathway</li> <li>• all maintenance and repairs to the building and grounds, including parking, and all associated operating costs</li> <li>• alarm system related costs including monitoring and all false alarm charges</li> <li>• all landscaping maintenance including but not limited to mowing, trimming, raking, and litter removal for the leased area</li> <li>• regular garbage, recycling, compost, etc. removal from the site</li> <li>• snow clearing &amp; ice control for the club parking lot, walkways, entrances, stairs and emergency exits</li> <li>• maintain registered non-profit status with the Nova Scotia Registry of Joint Stocks</li> <li>• obtain HRM's consent for any proposed change of use</li> <li>• maintain Commercial General Liability insurance in the amount and 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</li> </ul> <p>The Landlord shall:</p> <ul style="list-style-type: none"> <li>• provide Lions Club of Sackville with access to HRM-owned lands</li> </ul>
<b>Condition</b>	The Tenant accepts the Premises on an “as is” basis
<b>Access</b>	HRM grants permission for the Tenant and their invitees to have access to the land situated at PID 40014599
<b>Notice</b>	Either party shall have the option to terminate this agreement upon providing six months 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 \$6,500 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 the club to Administrative Order 2014-001-ADM Tax Relief to Non-Profit Organizations, the amount offset will represent an additional ‘operating grant’ from HRM.

**RISK CONSIDERATION**

HRM continues to negotiate vehicular and public access to the proposed HRM Active Transportation trailhead and the proposed HRM accessible parking spaces with the Province of Nova Scotia, owner of the adjacent property. HRM Active Transportation has indicated accessible parking will be relocated if a right-of-way over provincial lands can not be secured.

**COMMUNITY ENGAGEMENT**

The Board of Directors for Lions Club of Sackville is made up of members of the community.

**ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

**ALTERNATIVES**

Grants Committee could recommend that Regional Council enter into a market value lease with the tenant.

**ATTACHMENTS**

Attachment 1: Site Map & Area of Use

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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## ATTACHMENT 'A' SITE MAP AND AREA OF USE

