

Re: Item No. 12.1  
**HALIFAX**

# Public Hearing

ADMINISTRATIVE ORDER 50

Respecting the Disposal of Surplus Real Property

COMMUNITY INTEREST

1940 Gottingen Street, Halifax, PID 00002063

November 17, 2020

# Legislative Authority

*Halifax Regional Municipality Charter (2008, c.39, s.63):*

## **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.

**(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.

**(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.

# Origin

January 24, 2023 Regional Council:

THAT Halifax Regional Council set a date for public hearing to consider the sale of PID 00002063 located at civic 1940 Gottingen Street, Halifax, to the Mi'kmaw Native Friendship Society as per the terms and conditions outlined in Table 1 of the staff report dated January 18, 2023.

MOTION PUT AND PASSED UNANIMOUSLY.

**Table 1. KEY TERMS AND CONDITIONS (PROPOSED)\***

<b>Civic Address</b>	1940 Gottingen Street, Halifax PID 00002063
<b>Area</b>	Land area of 56,801 square feet (5,277 square metres)
<b>Zoning</b>	DH-1 Downtown Halifax Zone (Regional Centre Land Use By-Law)
<b>Assessed Value</b>	\$7,505,200 Commercial Exempt (2022)
<b>Appraised Value</b>	\$11,700,000 (2022) as-if-vacant
<b>Tax Status</b>	Commercial Exempt (2022)
<b>Proposed Purchase Price</b>	\$1.00
<b>Proposed Use</b>	Construction and operation of a Mi'kmaw Native Friendship Centre with ancillary amenities.
<b>Conditions of Sale</b>	<ul style="list-style-type: none"><li>• Staff to follow Regional Council's motion of June 14, 2022, directing the Chief Administrative Officer to initiate the process to demolish the former Red Cross building at 1940 Gottingen Street and to include the necessary expenditures in the 2023/24 capital budget to be funded by the 2021-22 operating surplus.</li><li>• The Purchaser shall have until 60 business days prior to the Closing Date to exercise its due diligence. The Purchaser may request in writing, access to the Property to conduct its due diligence investigations at reasonable times on reasonable notice, consent for which shall not be unreasonably withheld by the Municipality.</li></ul>

**CONTINUED - Table 1. KEY TERMS AND CONDITIONS (PROPOSED)\***

**CONTINUED**

**Conditions of Sale**

- Following the date of execution of the Agreement of Purchase and Sale and prior to the Closing Date, the Purchaser will advance project readiness, including but not limited to securing sufficient project financing, a construction schedule, and construction commencement date.
- Prior to the closing date, the Municipality shall be responsible for all expenses related to the Property, except for costs of any damages to the Property caused by the Purchaser in conducting its due diligence.
- Following its acquisition of the Property, the Society may make separate application to the HRM Tax relief for Non-Profit Organizations Program.
- There shall be no use of the Property by the Society prior to the transfer of title without HRM's consent, which shall not be unreasonably withheld, subject to terms and conditions acceptable to HRM.
- The Director of Corporate Real Estate shall be authorized to amend the terms and conditions of sale, Agreement of Purchase and Sale, and Buy-Back Agreement, if required, to enable the Society's financing and development of the Property to proceed.

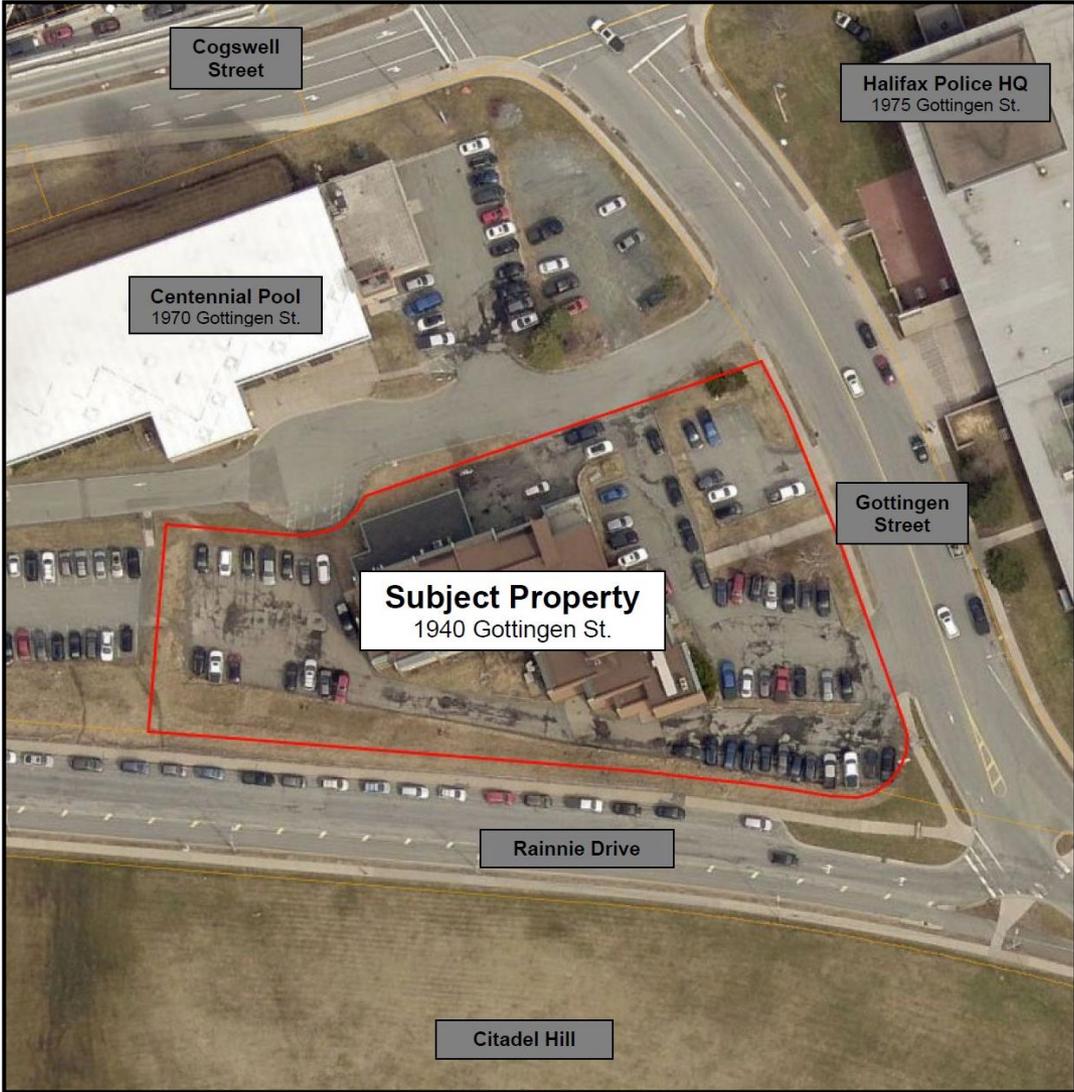
**Buy-Back Agreement**

- A Buy-Back Agreement shall be registered on title for a term of up to ten (10) consecutive years from the date of the transfer of title.
- The Buy-Back Agreement cannot be assigned to any other party.
- Postponement of the Buy-Back Agreement is permitted to enable the Society to secure financing of up to 95% of the Property's market value as if improved to be used only for the development of the subject Property.
- The Buy-Back Agreement may be released upon completion of 30,000 square feet of the development of the new Mi'Kmaq Native Friendship Centre as reasonably determined by the Municipality or as may be further defined in the Buy-Back Agreement.

**CONTINUED - Table 1. KEY TERMS AND CONDITIONS (PROPOSED)\***

<p><b>CONTINUED</b></p> <p><b>Buy-Back Agreement</b></p>	<ul style="list-style-type: none"><li>• If, after ten (10) consecutive years, the project has not commenced, or the construction cannot be completed, HRM may exercise its right to repurchase the Property pursuant to the Buy-Back Agreement for the price of \$1.00 plus the Society's capital costs, less depreciation.</li><li>• The Director of Corporate Real Estate shall be authorized to approve changes to the Buy-Back Agreement to avoid conflict between the HRM Buy-Back Agreement or other funders' terms and conditions.</li></ul>
<p><b>Closing Date</b></p>	<ul style="list-style-type: none"><li>• The closing date shall be the later of:<ul style="list-style-type: none"><li>A) the 30th business day following written confirmation from the Municipal Engineer assigned to the demolition project that the demolition of the former Red Cross building and remediation of the Property (if necessary) has been completed; or</li><li>B) the first business day which is 36 months following the date of execution of the Agreement of Purchase and Sale; or</li><li>C) an alternative date as may be agreed to in writing by the parties. The Director of Corporate Real Estate shall be authorized to change the Closing Date on behalf of the Municipality.</li></ul></li></ul>
<p><b>Cost of Sale Recoveries</b></p>	<ul style="list-style-type: none"><li>• Cost of sales recoveries of \$2,500 for the plan of survey, migration and deed fees shall be applied in accordance with Schedule 2 of Administrative Order 50.</li></ul>

# Site Map and Aerial Photograph



Questions?

**HALIFAX**