

HALIFAX

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

DECLASSIFIED

FOIPOP Review

Approved to Release

Date July 24, 2023

Item No. 17.1

**Halifax Regional Council
January 14, 2020
In Camera (In Private)**

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by [REDACTED]

Jacques Dubé, Chief Administrative Officer

DATE: December 2, 2019

SUBJECT: Property Matter 6067 Quinpool Road

PRIVATE & CONFIDENTIAL

ORIGIN

This report originates from:

- July 22, 2014 – Item 11.1.8 – 6067 Quinpool Road, Halifax – Administrative Order Number 50. The property at 6067 Quinpool Road (the site of the former St. Patrick's High School) ("the property") was approved by Regional Council as surplus to municipal requirements and categorized 'Economic Development' pursuant to Administrative Order 50, Respecting the Disposal of Surplus Real Property. Additional recommendations approved by Council included:
 1. Authorize demolition of the building;
 2. Direct staff to initiate the process to consider amending the Municipal Planning Strategy for Halifax and the Land Use By-Law for Halifax Peninsula at 6067 Quinpool Road to address design, building height, mass, density, and use; and,
 3. Direct staff to return to Regional Council with specifics of the disposal method for 6067 Quinpool Road following consideration of amendments to the Municipal Planning Strategy for Halifax.
- October 7, 2014 – Regional Council approved recommendations from Audit & Finance Standing Committee approving funding for demolition and plan amendment.
- May 9, 2017 – An Information Report was circulated before Regional Council advising that marketing of the site for disposal would be coordinated with Regional Council's approval of Centre Plan.
- September 7, 2017 – A CAO Award Report was approved for the awarding of Request-For-Proposals No.17-069 to CBRE, the winning proposal, to provide Real Estate Advisory and Brokerage Services for the marketing and sale of 6067 Quinpool Road.

RECOMMENDATION ON PAGE 2

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter

19 Open meetings and exceptions

- (2) The Council or any committee appointed by the Council may meet in closed session to discuss matters relating to:
 - (a) acquisition, sale, lease and security of municipal property.

61 Powers of Municipality regarding property

- (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.
- (5) The Municipality may
 - (b) sell property at market value when the property is no longer required for the purposes of the Municipality.

Administrative Order Number 50, Respecting the Disposal of Surplus Real Property

Section 4 Disposal Methods

(1) (d) Economic Development Properties

These properties viewed by Council to be strategic may be disposed through individually recommended processes contained in the Surplus Properties Report and may include referral to a special committee or task force of HRM created for overseeing the strategic use and disposal of a property.

Properties under this category are required by the Charter to be sold at market value and can include partnership models between private developers and non-profits and municipally defined public use or service delivery components.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Authorize the Chief Administrative Officer to have an Agreement of Purchase and Sale and requisite documents executed by the Mayor and Municipal Clerk for the Municipality to complete the sale of 6067 Quinpool Road, Halifax to the recommended Purchaser, as per the terms and conditions outlined in Table 1 of this report; and
2. It is further recommended that this report not be released to the public until the transaction has closed.

BACKGROUND

Regional Council, on July 22, 2014, approved recommendations to declare the property as surplus to municipal requirements and categorized it as an Economic Development Disposal pursuant to Administrative Order 50, Respecting the Disposal of Surplus Real Property.

The objective of Council's 2014 motion was to build certainty around the property's sale and future development potential by demolishing the building and completing necessary plan amendment work. Regional Council further directed that net proceeds of sale be earmarked to Q606, Strategic Capital Reserve, to fund Council's strategic capital projects. Regional Council approved the structure's demolition contract in May 2015, which was awarded to Capital Demolition.

The top four offers were subsequently invited to submit Final and Best Offers on November 27, 2019.

Final and Best Offers - November 27, 2019:

Purchaser	Amount
[REDACTED]	[REDACTED]

On November 28, 2019 HRM Corporate Real Estate conditionally accepted an offer from BANC Investments Ltd., subject to Halifax Regional Council's approval. The offer from BANC Investments Ltd. is the highest by a margin of [REDACTED] with tight condition timelines in the Municipality's favour. Staff recommend that Regional Council approve the terms and conditions of sale as set out below in **Table 1**.

TABLE 1

TERMS AND CONDITIONS	
Purchaser	BANC Investments Limited
Purchase Price	\$37,610,000 (plus applicable taxes)
Deposit	\$1,880,500 (5% of Purchaser Price)
Due Diligence End Date	December 30, 2019 (30 days from Conditional Letter of Acceptance)
Closing Date	February 4, 2020 (15 business days from Council approval) or as soon thereafter as possible with the Manager of Corporate Real Estate to have authority to approve amendments to the closing date.
Buy-Back Agreement	The Agreement of Purchase and Sale shall be subject to a Buy-Back Agreement as mutually agreed-to between the parties to ensure a timely start to the development of the property.
Other	<ul style="list-style-type: none"> • HRM will retain a public right-of-way, and access and service easement through Parcel P and Lot X, in favor of the Municipality, for pedestrian and active transportation connectivity between Quingate Place, Windsor Street, and Lot B-1 to the north; and, • HRM will grant a service and utility easement through Parcel P and Lot X, in favor of Halifax Regional Water Commission prior to closing; • The property is subject to existing overriding interests in favour of: <ul style="list-style-type: none"> ○ Nova Scotia Power Incorporated (NSPI), for utility poles, overhead wires and underground conduit; and, ○ Halifax Regional Water Commission (HRWC) for storm and sanitary sewer infrastructure.

FINANCIAL IMPLICATIONS

Net proceeds of the property's sale will be credited to Strategic Capital Reserve Q606 and are included as a contribution in the 2020/21 proposed Reserve Budget.

Applicable vendor adjustments to the Purchase Price may include, but are not limited to survey, easements, environmental deficiencies, brokerage and administrative costs. Vendor adjustments or deficiency allowances, if required, shall be to a maximum of 5 percent of the purchase price.

RISK CONSIDERATION

Any related risks to the transaction will be managed and mitigated through the Agreement of Purchase and Sale and the Buy-Back Agreement to ensure timely development of the property.

COMMUNITY ENGAGEMENT

As per Administrative Order 50, the area Councillor was advised of the recommendation to *surplus* the subject property, and subsequently the area Councillor hosted a public meeting in 2014.

The property's rezoning considerations were delivered under the Centre Plan initiative. Centre Plan was itself founded on a robust public engagement process, employing open houses, community walk discussions and workshops, pop-ups, the Shape Your City (Halifax) public engagement portal, a deep public approval process including a public hearing, and Regional Council debate and approval.

ENVIRONMENTAL IMPLICATIONS

During demolition, two petroleum underground storage tanks were removed and decommissioned. Approximately 4,000 litres of water were collected and removed, and approximately 650 tonnes of impacted soil were removed from the site and disposed. As well, approximately 125,000 litres of PHC¹-impacted water was removed during skimming while excavation took place.

The property will be sold in an 'as-is, where-is' condition. All environmental studies, reports, and filings to Nova Scotia Environment were disclosed under confidentiality to prospective buyers who were urged to undertake their own due diligence investigations within a limited timeframe. NSE approved the site for commercial development, providing site closure in October 2018.

ALTERNATIVES

Regional Council may elect to amend the terms of sale, however given the strong offer with limited conditions, staff recommend acceptance of the offer as presented.

ATTACHMENTS

1. Property Plan
-

If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Rudy Vodicka, Project Manager, Corporate Real Estate, Finance, Asset Management and ICT

¹ PHC = Petroleum Hydrocarbons

HALIFAX

ATTACHMENT 1 – Property Plan Property Matter - 6067 Quinpool Road Regional Council In Camera (In Private) Report

