



P.O. Box 1749
Halifax, Nova Scotia
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Item No. 15.1.7
Halifax Regional Council
July 9, 2024

TO: Mayor Savage and Members of Halifax Regional Council

FROM: Cathie O'Toole, Chief Administrative Officer

DATE: May 27, 2024

SUBJECT: **Administrative Order 50 – Disposal of Surplus Real Property PID 40877581
4032 Mooseland Road, Mooseland: Mooseland & Area Community
Association Request for Extension to Proposal Submission Deadline**

ORIGIN

December 12, 2023, Regional Council (Item 15.1.5)

MOVED by Councillor Hendsbee, seconded by Councillor Lovelace

THAT Halifax Regional Council:

1. Declare the properties, as categorized and listed in Attachments B, D, E, F and G of this report, surplus to municipal requirements pursuant to Administrative Order Number 50 Respecting the Disposal of Surplus Real Property;

...

MOTIONS AS AMENDED PUT AND PASSED UNANIMOUSLY.

LEGISLATIVE AUTHORITY

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

Sale or Lease of Municipal Property

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.

RECOMMENDATIONS ON PAGE 2

- *Administrative Order 50 Respecting the Disposal of Surplus Real Property*

Required Information

8. An application by a non-profit organization to purchase a community interest property must include the following information:

- (a) proof of registered status as a non-profit organization;
- (b) a description of the non-profit organization and its programs and services
- (c) a statement of the non-profit organization's intended use for the subject property;
- (d) complete financial statements for:
 - (i) the prior three (3) years, or
 - (ii) if the non-profit organization has not been incorporated for the prior three fiscal years, the number of fiscal years the organization has been incorporated,and the financial statements must include all itemized revenues, expenses, assets and liabilities.
- (e) for a moderately valued community interest property, a simplified five year operating and capital budget in the form to be provided by the Municipality
- (f) for a high valued community interest property, a comprehensive five year operating and capital budget in the form to be provided by the Municipality
- (g) a complete copy of the non-profit organization's Articles of Incorporation, Charter, or Constitution and By-laws; and
- (h) the terms and conditions of the offer for the purchase, including the purchase price, requested closing date, and any terms and conditions specific to the subject property.

Direct Sale – Request

11 (6) An applicant will have up to 90 days to submit to the Municipality the information that would otherwise be required in section 8.

RECOMMENDATION

It is recommended that Halifax Regional Council

1. Approve the request from the Mooseland & Area Community Association to extend the deadline for the submission of their proposal regarding the conveyance of 4032 Mooseland Road, Mooseland to October 2, 2024; and
2. Direct the Chief Administrative Officer to direct staff to review Administrative Order 50, Schedule 1, Community Interest Properties, and to return to Council with any recommended amendments.

BACKGROUND

The subject property was declared surplus in December 2023 under the Community Interest category with the disposal methodology being a Direct Sale consideration to the Mooseland & Area Community Association ("the Association"). In accordance with Administrative Order 50 the proponent has up to 90 days to submit a proposal which then forms the basis of a staff team review and recommendation to Regional Council. The Association was subsequently notified of Council's decision and provided guidance with respect to the process. The deadline for the submission of a proposal was Wednesday, May 29, 2024. In a letter dated May 24, 2024, and included as Attachment 1 of this report the Association has requested a 90-day extension which if approved would set a new submission deadline of October 2, 2024.

DISCUSSION

Recommendation #1.

The subject property will not be offered to any other party, including nonprofit or charitable organizations, until such time as Regional Council has rendered a decision with respect to the Association's proposal. It should also be noted that any extension to the proposal submission deadline does not infer a pre-determination of conveyance at less than market value or any commitment to property "upgrades" at public expense. Further, continued use of the subject property by the Association may require a municipal license agreement as an interim measure while issues regarding property title are addressed. The long-term occupancy of the premises in the absence of any municipal lease or license has resulted in an assessment as Commercial Exempt, and therefore been at no cost to the Association in terms of rent or annual property tax.

Recommendation #2

As proposed, a review of Schedule 1 of Administrative Order 50 would address issues such as (i) submission timelines, (ii) direct sale criteria, (iii) clarification regarding joint ownership submissions, and (vi) property conveyed at less than market value which remains vacant for an extended period wherein there is no public benefit in terms of a program or service for residents. Subject to Council approval of any amendments to policy, the program guidebook would be revised.

It is anticipated that any amendment to policy would make an important distinction between a Direct Sale consideration and an open Call for Submissions. With respect to an 'open' call from any registered nonprofit or charitable organization an extension to the submission deadline poses risk to the Municipality in relation to any perception of preferential consideration. However, consideration could be given to establishing different submission deadlines based on the subject property's condition (vacant land vs an existing building), building condition, zoning constraints etcetera. Consideration can also be given to the timing in which the disposal process commences following Council's decision regarding disposal. On a case-specific basis it may be prudent or necessary to not commence the disposal process immediately and allow time for any environmental remediation and to ensure that any encumbrances on title are investigated and fully disclosed.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from an extension to the submission deadline because this is a Direct Sale consideration. As such, no other party would be adversely impacted should Regional Council approve the Mooseland & Area Community Association's request.

RISK CONSIDERATION

Moderate - Continued occupancy of the premises without a municipal lease or license agreement poses reputational risk and liability to the Municipality. The current assessment as Commercial Exempt may be viewed as preferential relative to tenancy that is assessed as taxable.

At some point during their occupancy of the property the Association entered into an agreement with a commercial heliport operator contracted by Emergency Health Services. In the absence of a municipal lease agreement there has been no municipal approval of any sub-leasing, including proof of appropriate and sufficient insurance on the part of the Association or the heliport operator.

COMMUNITY ENGAGEMENT

No community engagement was required to address the matter of an extension to the proposal submission deadline.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications should Council approve an extension to the proposal submission deadline.

ALTERNATIVES

1. Regional Council could choose to decline the Association's request for an extension to October 2, 2024.
2. Regional Council could approve the extension request, but not direct staff to review Administrative Order 50, Schedule 1, Community Interest Properties.

ATTACHMENTS

Attachment 1 - Correspondence from the Mooseland & Area Community Association to HRM dated May 24, 2024.

Report Prepared by: Peta-Jane Temple, Team Lead Grants & Contributions, Finance & Asset Management, 902.490.5469; Chad Renouf, Senior Real Estate Officer, Property, Fleet, and Environment, 902.943.8326.

MOOSELAND & AREA COMMUNITY ASSOCIATION

4032 Mooseland Road, Mooseland, Nova Scotia B0J 3H0

Serving the communities of Mooseland, River Lake, Jacket Lake, and Third Lake

May 24, 2024

Attention: Peta-Jane Temple

Team Lead Grants & Contributions
Finance & Asset Management
Halifax Regional Municipality

Re: Request for Extension to Deadline for Surplus Property Submission

Dear Ms. Temple;

On behalf of the Mooseland & Area Community Association (MACA), we are requesting a 90 day extension on preparing a submission to purchase the property at 4032 Mooseland Road from Halifax Regional Municipality.

While we have been provided with a significant amount of time to prepare our package for submission, we have not been able to devote the necessary resources to it until recently. We are sure you can appreciate when you are working with unpaid volunteers, it can at times be difficult to move things along as swiftly as one would like. The majority of our members have jobs, other community commitments, and busy family lives.

Much discussion has taken place regarding the “upgrades” we requested HRM undertake prior to MACA taking possession of the property (letter to HRM dated April 20, 2022). We did move ahead and replace the remaining old windows in 2023; however, in light of community projects we have in the works, we have yet to determine if we will be able to undertake any of the other “upgrades” listed. Other notable things currently in progress include:

- our most recent financial statements (2023) will be provided to the accountant for the filing of the T2 Tax Return before the end of May. Upon completion, we will have our most current information available.
- we are awaiting an updated insurance quote on building and liability coverage.
- we are seeking some clarification from EHS LifeFlight regarding the arrangement for use of the community helipad.

If you have any questions, please reach out through email or at the numbers listed below.

Please send any email correspondence to [REDACTED] with cc. to

Thank you.

Barry Prest
President

Glenda Glawson
Vice - President