

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
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Item No. 11.1
Halifax Regional Council
May 10, 2016
May 31, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

John Traves, Q.C. Acting Chief Administrative Officer

Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: May 3, 2016

SUBJECT: Community Interest Sale: 220 Lake Loon Road

ORIGIN

April 28, 2015 Regional Council Motion:

MOVED by Deputy Mayor Nicoll, seconded by Councillor Hendsbee that Halifax Regional Council:

1. Declare the property located at 220 Lake Loon Road, Cherry Brook (PID# 00624486 as shown on Attachment 1 of the April 15, 2015 staff supplementary report) surplus to municipal purposes and categorize the property as Community Interest for the purpose of Administrative Order 50, Respecting the Disposal of Surplus Real Property; and
2. Declare a portion of the property located at 266 Cherry Brook Road (PID#00624155 as shown on Attachment 1 of the April 15, 2015 staff supplementary report) surplus to municipal purposes and categorize the property as Community Interest for the purposes of Administrative Order 50, Respecting the Disposal of Surplus Real Property, if required to be subdivided for support services.

MOTION PUT AND PASSED UNANIMOUSLY.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter:

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.

(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.

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(5) The notice of the public hearing shall include the date, time and place of the hearing, the location of the real property or a description of the tangible personal property, the estimated value of the property and the purpose of the sale. 2008, c. 39, s. 63.

- Administrative Order 50 Respecting Disposal of Surplus Real Property

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Schedule a public hearing to consider the sale of 220 Lake Loon Road (PID #00624486) and a portion of 266 Cherry Brook Road (PID #00624155) to the Lake Loon Cherry Brook Development Association for the total proposed purchase price of \$1.00; and
2. Pending Regional Council's approval of a below market sale of the above noted properties, direct staff to:
 - a. Complete the process for the subdivision of the portion of 266 Cherry Brook Road (PID #00624155) and consolidation to 220 Lake Loon Road (PID #00624486) to enable the parcel to meet land requirements for well, septic field and parking;
 - b. Remove the existing playground structure at 220 Lake Loon Road and place a new playground structure at 266 Cherry Brook Road; and
 - c. Negotiate a Contribution Agreement with the Lake Loon Cherry Brook Community Development Association for the provision of a grant in the amount of \$170,000 towards the repairs to the building and site in accordance with the terms and conditions outlined in Table 1, and authorize the CAO to execute the Contribution Agreement once funding has been approved through a subsequent report to Audit & Finance Standing Committee.

BACKGROUND

Administrative Order 50 (AO50) respecting the disposal of surplus real property was approved by Regional Council on April 9, 2013. AO50 includes multiple categories for the disposal of surplus municipal properties, including the Community Interest stream, which allows the disposal of properties known to have potential for community use, in particular where there was a prior community or institutional use of the property.

Following the adoption of AO50, staff prepared standard documentation to guide and evaluate non-profit applications under the Community Interest category. The new documentation is intended to support non-profit organizations at all levels of capabilities to be able to provide sufficient and quality information to staff and Council, and to ensure that all property disposals going forward are evaluated in a fair and consistent method.

On April 28, 2015, Regional Council declared the property at 220 Lake Loon Road surplus to municipal requirements. Due to on-going conversations with the local community, represented by the Lake Loon Cherry Brook Development Association in recent years, Regional Council recognized the passionate interest for the property to remain in the community and owned by the community. Therefore, Regional Council categorized the property under the Community Interest stream, and directed staff to initiate the process to complete the disposal of the property as defined by Administrative Order 50.

The Community Interest sale of 220 Lake Loon Road is the first property to be evaluated under the new formalized process.

DISCUSSION

Pursuant to the AO50 Community Interest process, a Public Information meeting was held on September 24, 2015 at the Black Cultural Centre in Cherry Brook. The purpose of the meeting was to inform the community and broader public on the legislated process to purchase municipal property, and specific details about the 220 Lake Loon Road property. Staff made concerted efforts to ensure the public information meeting was well advertised, including social media, African NS listserv email, posters and announcements at the local community facilities, and door-to-door pamphlets. The staff presentation and minutes from this meeting are included as supporting schedules 1 and 2 to the attached Staff Evaluation Report (Attachment A).

The Call for Submissions was posted publicly on October 21, 2015 (Schedule 3 of Attachment A), inviting all interested non-profit organizations to prepare applications to purchase the property. Community groups were allowed the maximum time defined by AO50 of 120 days for preparation of their plans. Staff did not receive any requests from the public for a guided site visit during this period. One submission was received by the February 18, 2016 deadline from the Lake Loon Cherry Brook Development Association (LLCBDA). It should be noted that the submission document referred to the association as the Lake Loon Cherry Brook Community Development Association, however, for the purposes of this report and attached evaluation, the name which has been registered with Registry of Joint Stocks has been used, namely Lake Loon Cherry Brook Development Association.

LLCBDA Submission

The LLCBDA submission outlined a plan to reinstate a community centre on the site. The proposed Lake Loon Cherry Brook Community Centre is proposed to provide a variety of services targeted to different market segments including seniors, youth, students, parents and families, tourists and community-based organizations. The proposed services outlined in the submission are varied and include community activities such as weddings and social gatherings, skills development such as tutoring, cooking classes and health education as well as recreation activities.

The LLCBDA submission outlined an offer of \$1.00 to purchase 220 Lake Loon Road (PID # 00624486) and 266 Cherry Brook Road (PID #00624155) with a proposed closing date of May 1, 2016 and the following conditions:

1. HRM to waive the cost for any and all fees for property appraisal, surveying, legal fees, registration of documents and title migration;
2. HRM to make available to LLCBDA, any and all funds originally designated for the demolition of the said property. The amount is understood to be \$150,000 and would be used for the renovation and restoration of the property. In exchange for the funds, LLCBDA shall agree to meet and abide by any and all reasonable requirements proposed by HRM as a condition of receiving said funds;
3. HRM to make available to LLCBDA, any and all funds originally designated for maintenance, upkeep and programming at said property. The amount is understood to be \$175,000 and would be used for the renovation and restoration of the property. In exchange for the funds, LLCBDA shall agree to meet and abide by any and all reasonable requirements proposed by HRM as a condition of receiving said funds;
4. HRM shall relocate the existing playground to a location accessible and located near the property at 220 Lake Loon Road. Further, that a portion of the 266 Cherry Brook Road property, be subdivided to house the relocated playground, thereby allowing full use of the playground by the LLCBDA.

Administrative Order 50 – Community Interest Stream

The AO50 process for Community Interest sales defines a two-step evaluation process to determine the success of non-profit applicants. The first step requires a staff evaluation of any submitted proposals under specific requirements, which are technical in nature. That is followed by overall consideration by

Regional Council using a different set of criteria.

Staff Evaluation Results

A cross functional team of staff was created to evaluate the LLCBDA submission. Led by Finance, the team included staff from Grants & Contribution, Parks & Recreation, and Planning & Development. As defined by AO50 section 4(f), staff is required to evaluate all Community Interest submissions on the four (4) criteria:

- Content compliance
- Viability
- Compensation
- Benefit to the municipality.

Key Findings:

1. **Content Compliance** – The content submitted by the LLCBDA met all categories requested by the Call for Submissions. There was limited quantitative documentation to substantiate the vision presented.
2. **Viability** – The LLCBDA has sufficient past experience related to coordinating community events, however, if the LLCBDA is unable to secure third party partners, there is an identified risk that this board will be unable to fulfill and sustain the proposed service goals. Details regarding the funding for the rehabilitation of the building have not been provided, however, the proposal indicates that a portion of the work would be completed with in-kind support and third party contributions, primarily HRM. With limited quantitative information provided regarding anticipated usage of the proposed services, staff is unable to determine whether the projected revenues are sufficient to support sustainable future operations. The success of LLCBDA to rehabilitate and operate the property is highly dependent on third part contributions.
3. **Compensation** – The LLCBDA is offering to purchase the property for a lower than market value of \$1.00. The proposed conditions of their offer result in a combined financial and in-kind contribution from HRM of approximately \$470,050.
4. **Benefit to the Municipality** – The LLCBDA's Business Plan provides a collaborative plan rooted in cultural values and supportive to empower all demographics of the Lake Loon and Cherry Brook communities. In their submission, the Lake Loon Cherry Brook Development Association has demonstrated the vision, commitment and desire to purchase the property. The letters of support reflect the commitment of residents in supporting their African heritage and their strong sense of community. This property has been considered the heart of their neighbourhood and they do not want to lose this historic connection. The presented vision supports HRM Council's Healthy Communities priority.

Council's Full Assessment and Decision:

Upon review of staff's evaluation, Council must then review the submissions to purchase based on a different set of criteria. AO50 defines the criteria for Regional Council's assessment under Section 4, as:

4. (i) Council will also consider the overall context of the disposal, including:
 - (i) the market value of the property as appraised;
 - (ii) the Planning Strategies of the area of the property;
 - (iii) the benefit of any cost saving to the Municipality;
 - (iv) the consequences, beneficial or otherwise, to the community or the Municipality as a whole;
 - (v) the beneficial considerations of any submission against the benefit to the Municipality of selling the property at market value; and
 - (vi) whether or not a Buy-Back Agreement is a condition of a sale.

The following information is provided in order to assist Regional Council in their consideration of the above noted criteria:

- The 2015 assessed value of 220 Lake Loon Road is \$64,300. A small portion of the assessed value of 266 Cherry Brook Road would be consolidated to the adjacent parcel for potential sale to LLCBDA. Assuming the assessed value is \$70,000 total, with Deed Transfer Tax there would be an in-kind transfer of \$71,050.
- The zoning of 220 Lake Loon Road is P-2 which permits the use proposed by the LLCBDA. To recognize the existence of the former community centre, the Municipal Planning Strategy (MPS) for the area includes the property within the Institutional-Open Space Designation. Within this designation, priority is given to institutional and community open space uses and facilities. The intention of the Designation is to complement other MPS policies which identify the programming and financial needs to support the development of such facilities and to discourage the loss of existing open space lands to other types of use.
- With the transfer of the ownership of the building, HRM would avoid future costs as the demolition of the building would not be required. As well, the proposed development of the site as a passive park would not be required.
- Records indicate a historical connection to the site as far back as at least 1914, if not earlier. While the history of the existing building at 220 Lake Loon Road is more recent, the history and prominence of both the site and building are important aspects to be honored to highlight the role of the area in HRM's past as well as the prominent corner in the community. The LLCBDA submission outlines a vision to recreate and embrace both the historical value and community usage of the property.
- A legal analysis shows that title to the property rests with HRM. The community, however, believes that the property and building belong to that community. Irrespective of legal title, it is clear that the community of Cherry Brook takes enormous pride and passion in the property and that which it represents. There is, therefore, great public benefit in ensuring that title to this historic property resides within the local community where they can be encouraged to make the final decisions as to its future use.
- As outlined in the submission, through transfer of the property to LLCBDA, HRM would be "instrumental in empowering a community-based organization..." and will have done its "cultural diligence".
- With the proposed market value of the property being \$70,000, in staff's opinion, the financial benefit from the sale of the property at market value would not be as significant as the overall community benefit realized from a below market sale to the community.
- While a Buy-Back Agreement is often a condition in real estate transactions to ensure the municipality's interests are protected, the agreements also tend to place restrictions on any proposed changes to the property. If Regional Council decides to proceed with a sale of the property to the LLCBDA, staff does not recommend a Buy-Back Agreement as a condition of sale. The removal of a buy-back agreement would release the LLCBDA from requiring HRM's authorization in any future decision to deviate from the submitted proposed plan, changes to the use of the property or future sale of the property.

A050 Conclusion

In their submission, the Lake Loon Cherry Brook Development Association has demonstrated the vision, commitment and desire to purchase the property in question. Under the AO50 process for Community Stream, a staff evaluation is required on the submission. That evaluation is technical in nature. Staff's technical evaluation outlines concerns with the sustainability of the proposed business case, as there is a disconnect between the 'collaborative, state of the art vision' for the property, presented by the LLCBDA on behalf of the broader community and what is reflected in the financial plan.

However, Regional Council's assessment of the submission allows for a broader consideration of the overall community benefits. That assessment can consider the letters of support which reflect the commitment of residents in supporting their African heritage, their strong sense of community and the fact that the property has been considered the heart of their neighbourhood and they do not want to lose this historic connection. Furthermore, while the specific proposal submitted by the LLCBDA may not be fully viable for the reasons specified in the evaluation, the property remains to be of enormous historic value both to Cherry Brook, and to the wider community. Maintaining and restoring the property is still a

respected goal, even should it eventually prove to not be a viable option for a community centre. Other alternative uses may be possible.

Next Steps – AO50

If Regional Council accepts the offer from the Lake Loon Cherry Brook Development Association to purchase 220 Lake Loon Road and a portion of 266 Cherry Brook Road at a below market value of \$1.00, Section 63(3) of the HRM Charter requires that Regional Council first hold a public hearing since the property assessment exceeds \$10,000. The public hearing, which must be advertised for at least a 14-day period, is intended to allow the public an opportunity to express their views on the LLCBDA's submission and the sale of the property to that organization. Further, Section 63 (2) of the HRM Charter also requires that resolution of sale requires at least a two-thirds majority of Council present and voting. At any point in this process, Council has the ability to reject the submission and proceed with a market value sale under a different disposal category under AO50.

Considerations

In addition to the decision on the potential sale of the property at a below market value price of \$1.00, there are other proposed conditions in the LLCBDA submission which Regional Council must consider and provide direction to staff regarding their potential implementation. These include:

- Subdivision and consolidation of property
- Playground relocation
- Requested grant funding

Subdivision and Consolidation of Property

The existing property at 220 Lake Loon Road does not have sufficient size and configuration to support an on-site sewage system and well under current Nova Scotia Department of Environment requirements. As well, the site is constrained to support parking. Therefore, the submission from LLCBDA requested the inclusion of additional land from the adjacent HRM property.

In order to accommodate the request of LLCBDA for the additional property, a subdivision and consolidation process would need to be completed. As the current owner of both properties, as well as the regulatory authority for the subdivision of property, it is recommended that HRM complete the subdivision of the portion of the parcel at 266 Cherry Brook Road and consolidation to the adjacent parcel (220 Lake Loon Road) prior to the transfer of ownership to the LLCBDA.

The subdivision and consolidation process would require survey of the parcels, preparation of subdivision plans and registration of documents. The estimated costs to complete those steps are \$3,500 - \$5,000. Those costs would be in addition to the costs for the sale and closing costs, estimated at \$9,000 - \$14,000. Some of those costs have already been incurred in preparation for the AO50 process, while others would only be incurred if Regional Council approves the sale of the property to LLCBDA.

Playground Relocation

As part of their submission, LLCBDA has requested that HRM relocate the existing playground from the property at 220 Lake Loon Road as part of the transfer of ownership of the property. Municipal recreation assets, including playground structures, should be located on HRM owned properties. Therefore, if Regional Council approves the sale of 220 Lake Loon Road to LLCBDA, the playground structure should be relocated to the adjacent HRM lands at 266 Cherry Brook Road.

Staff has assessed the existing playground structure and determined that it is not viable for relocation. Therefore, the existing structure would need to be demolished and a new structure installed on the adjacent parcel. Pending detailed design and site assessment, a high level estimate for a new playground would be \$50,000-\$55,000. The removal of the existing structure and installation of a new one would need to be coordinated with the work the LLCBDA would be completing on the site related to

the building as well as the well, septic system and parking. Therefore, it is recommended that, as work on the property proceeds, staff be directed to undertake the accompanying playground relocation.

Requested Grant Funding

The LLCBDA submission outlines that an estimated \$500,000 would be required for the renovation of the building with funding achieved through financial support from three levels of government, fundraising and in-kind contributions from the community itself. As a result, the submission requests \$325,000 financial support from HRM, based on a past capital project for the building and the potential cost of demolition.

Previous Capital Projects for 220 Lake Loon Road

Account (CBR00069) was created in the 1997-98 capital budget for roofing and repairs to the Cherry Brook Centre. That budget originally included \$170,000 (not \$175,000 as quoted in the proposal) but only \$35,000 was spent. Due to inactivity the account was closed and the remaining \$134,826 was transferred to the Capital Surplus Reserve (Q103). It is staff's understanding that the repairs were never completed because Regional Council decided, instead, to invest in a Joint Use Agreement for community space at the local Graham Creighton school.

In 2015-16, after a review of the building's condition, staff estimated that demolition of the structure would cost approximately \$150,000 and recommended that it be demolished. Council rejected this recommendation and no funds were allocated for demolition.

The LLCBDA submission requests that \$325,000 (\$175,000 and \$150,000) be provided as a grant towards the refurbishment of the building. The LLCBDA submission outlined an amount of \$175,000 (not \$170,000) from CBR00069 and asserts that had the funding been used on the building, it would have improved its overall state. Further, the transfer of the property to LLCBDA would remove HRM's requirement to demolish the building. Rather than expend \$150,000 on demolition, LLCBDA requests that it be used on the repair of the building.

The LLCBDA request is predicated on the assumption that HRM allocated funds to both maintain the building and to demolish it. The municipality allocated funds (\$170,000) for maintenance nearly 20 years ago but no funds were allocated for demolition. The municipality disposes of surplus properties because they are not required for municipal purposes. AO 50 offers community groups the opportunity to acquire surplus properties at below market values in an "as is" condition. The maintenance and reconditioning of such properties becomes their responsibility, not the taxpayers. Providing public funds for buildings that are not required for municipal purposes, whether through the capital budget or as a grant, reduces funds for capital projects for municipal properties.

At the same time the municipality recognizes the historic and cultural importance of the building to the African-Nova Scotian community. As such, a grant of \$170,000 is recommended to recondition the property. The recommended grant would be one-third of the amount estimated to recapitalize the property and would allow the community to leverage it to seek the other two-thirds from the Provincial and Federal Governments or to accomplish any refurbishing through work in-kind. The grant is not conditional upon the creation of a community centre and is not a transfer of past or potential capital funds. Its purpose would be to ensure that a vital piece of African-Nova Scotia history can be preserved.

Proposed Contribution Agreement

Currently, HRM does not have a funding program which could accommodate the level and type of funding requested by LLCBDA. HRM's current Community Grants Program provides for program grants up to \$5,000 and capital grants up to a maximum of \$25,000. The LLCBDA request could be considered under the current guideline but would only provide minimal funds.

Regional Council has received other requests for funding that exceed or fall outside the program guidelines for available grant programs. As with those requests, Regional Council may provide funding it

feels appropriate and supports a benefit to the municipality, provided it is permitted by the *HRM Charter*. The process for any grant should be the same as undertaken for other similar type of grant requests, to ensure consistency.

In approving recent grants outside of grant programs, Regional Council has required a contribution agreement outlining the applicable conditions. The capital grant for the construction of the Discovery Centre's new building would be a similar situation to the LLCBDA's request. Therefore, it is recommended that a contribution agreement and conditions similar to those agreed to by the Discovery Centre be required for any grant to LLCBDA.

Using similar criteria as required by Regional Council through the process for the Discovery Centre capital grant, a proposed contribution agreement for a \$170,000 grant to the LLCBDA would be contingent on the key terms and conditions as outlined in Table 1.

Table 1: Proposed Contribution Agreement – Key Terms and Conditions

| Key Terms and Conditions |
|--|
| LLCBDA shall provide HRM with design plans and cost estimates regarding 220 Lake Loon Road and support services (well, septic, parking, etc) including funding for all outstanding costs prior to the disbursement of any of HRM's capital cost contribution |
| LLCBDA shall use the capital funding provided by HRM solely for the site including renovation and construction of the facility located at 220 Lake Loon Road |
| Payment by HRM in the amount of \$170,000 shall represent the complete capital-related financial commitment from HRM. There shall be no supplemental or incremental funds available to LLCBDA |
| HRM shall not be a guarantor of the 220 Lake Loon Road, nor shall there be any contingent or direct liability either implied or express |
| In return for HRM's financial contribution, LLCBDA shall provide recognition commensurate with the level of investment |
| HRM shall not be liable for any losses incurred by LLCBDA in relation to the construction or operation of the facility |
| A requirement that LLCBDA provide HRM with indemnification |
| LLCBDA shall provide HRM with a full release for any legal liability. |

The provision of a grant from HRM could be used by LLCBDA to leverage additional funding from other levels of government and the private sector. The grant would assist the community in the restoration of the historical and social value of the site along with any additional possible enhancements.

Summary of Options

In order to assist Regional Council in its consideration of a below market sale along with any or all of the proposed considerations outlined in the LLCBDA proposal, Table 2 outlines a comparison of the direct costs to HRM for the LLCBDA proposal along with the other options available to Regional Council.

Table 2: Summary of Direct Costs of Options for 220 Lake Loon Road

| Proposed Consideration | LLCBDA Proposal | Market Sale | Retention of Property for Parkland | Recommendation |
|----------------------------------|--------------------------------|-------------------|------------------------------------|-------------------------|
| Sale Price | \$1.00 | \$71,050 | \$0.00 | \$1.00 |
| Grant for Renovation | \$325,000 (requested grant) | \$0.00 | \$0.00 | \$170,000 |
| Demolition Costs | \$0.00 | \$150,000 | \$150,000 | \$0.00 |
| Playground relocation | \$50–55,000 | \$50-55,000 | \$0.00 | \$50-55,000 |
| Subdivision fees | \$3-5,000 | \$0,00 | \$0.00 | \$3-5,000 |
| Parkland/trail development costs | \$0.00 | \$0.00 | TBD* | \$0.00 |
| Sale and closing costs | \$9-14,000 | \$0.00 | \$0.00 | \$9-14,000 |
| Total Costs | \$387-399,000 | \$200,000 | \$150,000+TBD* | \$232-244,000 |
| Net Cost to HRM | \$386,999- 398,999** | \$128,950-133,950 | \$150,000+TBD* | \$231,999- 243,999** |

* Costs to develop the site as parkland with trail connections would be dependent on site assessment and detailed design. Parkland site development projects vary significantly and estimated costs can exceed \$1 million.

** Costs do not include in-kind value of the market value of the property which would not be achieved through a below market sale.

Based on the net costs to HRM, the staff recommendation could be expected to be significantly less than retention of the property for parkland purposes. While higher than the cost to HRM through a market sale, the recommendation is within a similar order of magnitude and would respect the historical and community importance of the property.

Conclusion

Transfer of the property at 220 Lake Loon Road to the community through the LLCBDA would retain a significant part of HRM's history and empower a community-based organization in the provision of wide ranging services to their local community. Based on the past use of the property, it can be considered for disposal under the Community Interest Stream of AO50. Therefore, it is recommended that Regional Council direct staff to schedule a public hearing to consider the sale.

It should be noted that due to the legislative timeframes required for a public hearing process, the proposed closing date of May 1, 2016 as outlined in the LLCBDA submission will not be able to be met. However, should Regional Council approve sale of the property, the subdivision and documentation required to complete the sale could be expedited for a closing date as close to the May 1st date as possible with the contribution agreement and playground relocation following once completed.

FINANCIAL IMPLICATIONS

The terms of purchase, offered by the Lake Loon Cherry Brook Development Association, is a lower-than-market value of \$1.00 (not including applicable taxes). Based on the 2015 assessed values of the main and adjacent properties, the sale to the non-profit organization would equate to an approximate in-kind contribution from HRM of \$71,050. If Council decides to proceed with the sale, funds received from the LLCBDA would be directed to the Sale of Capital Assets Reserve (Sale of Land) Q101.

Budget Summary, Sale of Capital Assets Reserve (Sale of Land), Q101

| | |
|--|---------------|
| Projected Net available balance, March 31, 2016 | \$(6,914,748) |
| Proposed contributions to reserve including interest to March 31, 2017 | \$ 6,859,355 |
| Approved 2016/17 withdrawals | \$(1,952,000) |
| Approval of Recommendation of sale | <u>\$ 1</u> |
| Projected net available balance, March 31, 2017 | \$(2,007,392) |

Q101 Sale of Capital Assets (Sale of Land) Reserve, (March 28, 2000)

Reserve is funded by the sale of land in HRM, other than Business/Industrial Parks or sale of land conveyed to HRM for parks, playgrounds or similar public purposes. Several other large properties are now excluded from deposit to this reserve and are being redirected to Potential Strategic Project Reserve, Q126 and Planned Strategic Project Reserve, Q146. This reserve is to be used for a) Capital expenditures for which the municipality may borrow; b) Repayment of the principal portion of capital debt. It is Council's intention that the reserve be primarily used for the acquisition of land, buildings and similar fixed assets. The recommended sale does not negatively impact current projects as this will be a deposit to the reserve.

The LLCBDA has not offered in their terms of offer to reimburse HRM for the municipality's portion of the sale and closing costs, estimated at \$9,000-\$14,000. Costs to subdivide the property at 266 Cherry Brook Road for support services would be in addition to that estimated total. Some of these costs have already been incurred and charged to Corporate Real Estate's 2015/16 operating budget. If Council decides to proceed with the sale, additional closing and subdivision costs would be charged to Corporate Real Estate's 2016/17 operating budget. These costs are then reimbursed from the Sale of Capital Assets Reserve (Sale of Land), Q101, so that there is net \$0 impact to Corporate Real Estates' operating budget.

If Council approves the condition of sale for HRM staff to install a new playground structure on the subdivided portion of 266 Cherry Brook Road, funding for the removal of the existing structure and installation of a new structure is estimated at \$50,000-\$55,000. Preliminary design and site assessment would be completed to confirm the capital estimate. A funding source would need to be approved by Council.

If Council approves a contribution of \$170,000, staff would need to present a recommended funding source to the Audit & Finance Standing Committee as the amount is currently not included or available in the 2016/17 budget.

RISK CONSIDERATION

The recommendation as outlined would mitigate an existing risk which currently exists for both HRM and the community due to the current deteriorated state of the building. Deferral of a decision on the future of the building will continue the significant risk.

The recommendation for provision of a grant to LLCBDA will also mitigate the risk that the association would not be able to renovate the building as proposed in their submission.

COMMUNITY ENGAGEMENT

A Public Information meeting was held September 24, 2015 at the Black Cultural Centre in Cherry Brook,

NS to educate the public on the Administrative Order 50 process to sell property to non-profit organizations under the Community Interest category, and provide details about the 220 Lake Loon Road property. If Regional Council approves to proceed with the process to sell 220 Lake Loon Road to the LLCBDA, a Public Hearing will be held for the public to express comments on the organization's submission.

ENVIRONMENTAL IMPLICATIONS

An independent Facility Condition Assessment was completed in 2014 by Capital Management Engineering Limited for HRM. The assessment of the current building structure at 220 Lake Loon Road reported "environmental and health hazards". It was advised that a "detailed hazard assessment should be undertaken and contractors bidding or undertaking the work be informed of the required safety measures that need to be in place to properly protect their workers". The full assessment can be found at <http://www.halifax.ca/surplusproperties/communityinterest/cherrybrookctr/documents/220lakeloonfacilityconditionassessment.pdf>.

ALTERNATIVES

- Alternative 1: Regional Council may choose to decline the offer from the LLCBDA for a below market value sale and not schedule a public hearing.
- Alternative 2: Regional Council may choose to proceed with the property sale to the LLCBDA at a below market sale and schedule a public hearing with the conditions for installing a new playground structure and the provision of a grant for \$325,000, subject to funding availability, as requested by LLCBDA. In that case, the contribution agreement should also include a payment schedule whereby an initial payment of \$110,000 is made on proof of construction readiness, with subsequent payment of \$110,000 upon proof that 50% of the construction is complete, and payment of a further \$105,000 upon proof that the balance of the project is complete. Such a payment schedule would be consistent with previous contribution agreements where the grant amount is significant in order to ensure proper financial stewardship by HRM.
- Alternative 3: Regional Council may choose to amend any terms in a Contribution Agreement for the provision of a grant towards the repairs to the building with the Lake Loon Cherry Brook Development Association. A supplementary staff report would be required for consideration of Audit & Finance Standing Committee to identify the funding sources for the unbudgeted amount.

ATTACHMENTS

- Attachment A: Staff Evaluation of Community Interest Disposal Submissions – 220 Lake Loon Road
Attachment B: September 24, 2015 PowerPoint Presentation
Attachment C: September 24, 2015 Meeting Minutes
Attachment D: Call for Submissions
Attachment E: LLCBDA Submission - Redacted

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Bruce Fisher, Manager of Financial Policy & Planning, 902.490.4493
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Financial Approval by: _____
Amanda Whitewood, Director of Finance and Information Technology/CFO, 902.490.6308

Report Approved by: _____
Brad Anguish, Director of Parks & Recreation, 902.490.4933

Staff Evaluation of Community Interest Property Disposal Submissions

220 Lake Loon Road &

Portion of 266 Cherry Brook Road

PID #00624486 & Portion of PID #00624155

Prepared by:

Staff Evaluation Team
March 17, 2016

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Property for Disposal

Introduction

On Wednesday, October 21, 2015, HRM posted its Call for Submissions (Schedule 3) on halifax.ca for the disposal of 220 Lake Loon Road. As per the Administrative Order 50 legislation for Community Interest property disposals, potential non-profit applicants had one hundred and twenty (120) days to submit their proposals, with the due date being February 18, 2016. The following report documents the staff evaluation of the sole submission received from the Lake Loon Cherry Brook Development Association (LLCBDA).

Background

The Lake Loon Cherry Brook Community is the oldest African Nova Scotian community in the Preston area, dating back to the 1700's. The former Cherry Brook Community Centre is located at 220 Lake Loon Road. The Community Centre previously housed the Lake Loon School, which was a segregated school until 1964. In the mid 1960's, the Halifax County School Board began to regulate all schools including those previously segregated. In 1968, the Halifax County School Board relocated the students from Lake Loon School. The building was then converted to a community centre upon closure of the school. The building has not been in use since approximately 1990 and records indicate that the power to the building was disconnected in 2004. Due to the condition of the building, repair and recapitalization was not deemed to be an option. As a result, a tender was issued for the demolition of the building in 2009. However, the local Councillor requested that consultation with the community be completed prior to the demolition. The demolition was not completed and further discussions were initiated with the Lake Loon Cherry Brook Development Association (LLCBDA).

As a result, from approximately 2009 through to 2014, community consultations were primarily coordinated with representatives of the LLCBDA. Primary discussion between staff and the Association related to the state of the former community centre and focused on the ownership of the building and whether it could be repaired. There was an indication that the Association may be interested in submitting a proposal to repair the building, depending on its assessed condition and ownership status.

HRM had a third-party Facility Condition Assessment (FCA) completed of the building in May 2014. On December 9, 2014, staff presented a report to Regional Council outlining the findings of the FCA and recommended that the building be removed and the property be developed into a passive park that commemorates the historical value and community building aspects of the site.

Regional Council deferred decision on the site and removal of the building, and directed staff to share the findings of the facility condition assessment with the community association and provincial government, as well as complete additional community consultation for the proposed

parkland project at 220 Lake Loon Road and potential future use of the lands at 266 Cherry Brook Road, before returning to Regional Council in March with the findings.¹

After completing a process to determine the validity of property ownership, the municipality wanted to provide the opportunity for the community to acquire the property. The process to transfer ownership is governed by Administrative Order 50 – Disposal of Surplus Real Property. On April 28, 2015, 220 Lake Loon Road was declared surplus to municipal purpose under the category of Community Interest by Regional Council. A portion of 266 Cherry Brook Road was also declared surplus under the same category. (If the successful submission required the additional property to be subdivided for support services)



Figure 1 – Site Map – 220 Lake Loon Road and Approximate Portion of 266 Cherry Brook Road

Administrative Order 50 Evaluation Process

Administrative Order 50 – Disposal of Surplus Real Property (AO50) is the municipal legislation that outlines the process to sell any real estate it owns. Surplus real property means that there has been no identified need for the municipality to continue to own that property. Properties are organized in following categories:

- Economic Development,
- Community Interest,

¹ HRM Regional Council report dated April 15, 2015 “Property Matter – 220 Lake Loon Road”

- Ordinary Sale,
- Remnant,
- Extraordinary,
- Intergovernmental Transfer.

The Community Interest category is defined under section 2. (b) as:

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.

The Community Interest process is described in AO50 in sections 4. (e) through (l).

The first step of the Community Interest disposal process is a Public Information Meeting, where staff informs the community about the property specific details and the application process. Then a Call for Submissions is then posted via Halifax.ca to invite all interested non-profit organizations to submit an application to purchase. The Call for Submissions document includes important property specific information, deadline dates, and the application process outline (including the requested application materials).

Administrative Order 50 indicates that non-profit organizations have a minimum of 90 days to a maximum of 120 days to prepare and submit their application. The time frame will vary depending on the property available for sale and the submission date will be documented in the Call for Submissions.

All applications received by the submission deadline will go through a two-step evaluation process. The first evaluation step is completed by a staff team using evaluation criteria outlined in the Administrative Order. The criteria and related scoring method is available for all applicants in the Call for Submissions document, as well as the publicly available Staff Evaluation Guidelines. The second evaluation step is completed by Regional Council using different evaluation criteria, also outlined in Administrative Order 50.

The result of the staff evaluation is then presented to Regional Council in a report at a regularly scheduled Council meeting, which is open to the public. If Regional Council approves to proceed with the process to sell to an applicant at a below market value price, the municipality is required to hold a Public Hearing at which time the community will have the opportunity to provide feedback for Council's consideration. The Public Hearing date will be advertised to the public for at least 14 days prior to the meeting. Council will then vote whether or not to proceed with a lower than market value sale with an applicant.

Submissions Received

A Public Information Meeting was held at 7pm on Thursday, September 24, 2015 at the Black Cultural Centre located at 10 Cherry Brook Road, Cherry Brook, NS (Schedules 1 & 2). The meeting was advertised by various methods, including:

- halifax.ca and other HRM social media public service announcements
- Announcement in the Halifax Herald
- Email announcement via the African Nova Scotia listserv
- Pamphlets delivered door-to-door within the Lake Loon and Cherry Brook communities
- Paper and digital board posters at local community facilities and churches

The Call for Submissions was subsequently posted to halifax.ca on Wednesday, October 21, 2015 (Schedule 3), inviting all interested, non-profit organizations to prepare applications to purchase the property, within a 120-day period.

One submission was received when the Call for Submissions was closed at 4:30pm on Thursday, February 18, 2016. The application and supporting business plan submitted by the Lake Loon Cherry Brook Development Association (Schedule 4) has been evaluated by a cross-disciplinary team, comprised of staff from Finance, Grants & Contributions, Parks & Recreation, and Planning & Development as directed by AO50.

While the staff evaluation team acknowledges that Business Plans are often meant to be real time documents that are modified or adjusted to react to changing circumstances, procedural fairness required staff to evaluate the plan exactly as submitted. Hence, staff interpreted the wording of the proposal literally and made no assumptions as to how the LLCBDA might alter or change its plans should circumstances be altered.

Staff Evaluation – Lake Loon Cherry Brook Development Association (LLCBDA)

Proposed Plan

The Lake Loon Cherry Brook Development Association is a Society originally formed in 1979 and currently has an active status with the Nova Scotia Registry of Joint Stocks. The submission outlines seven (7) members in the Society and includes their governing By-Laws.

The LLCBDA's submission refers to their previous program and service offerings within the Lake Loon Cherry Brook community, including:

- Head Start program,
- day care centre,
- summer employment initiatives for students,
- recreational programs,
- Saturday Bible schools,
- reception space at the former community centre for events (weddings, birthdays, anniversaries reunions, etc.),
- youth and teen initiatives,
- meeting space for the LLCBDA,

- overall gathering space for families, and community members at large.

The Business Plan indicates that the LLCBDA will oversee a newly formed subcommittee named the Lake Loon Cherry Brook Community Centre Board. The Board will contain four (4) members from the LLCBDA and an additional three (3) members chosen from the Lake Loon Cherry Brook Communities.

A Centre Coordinator will be hired to manage the day-to-day activities of the new centre and will report directly to the Board. The Coordinator's efforts will be supported by an Administrative Support staff person and various volunteers. The two (2) staff positions and volunteers are to be selected from the Lake Loon-Cherry Brook communities.

The LLCBDA plans to rehabilitate the existing building site to provide leasable space to facilitate community-based recreational and social needs to the local Lake Loon Cherry Brook communities. Many services identified focus on the accessibility of the location for youth and seniors of the community. Although no agreements are currently in place, the LLCBDA hope to secure third-party partnerships in the future to increase their capacity to provide many of the desired services.

Potential community services to be provided in the community centre described in the Business Plan include:

- Tutoring
- After school programs
- Mentoring initiatives
- Year-round recreation
- Employment support
- Artistic space (culture/arts programs)
- Training and skills development
- Upgrading classes
- Cooking classes
- Health education
- Financial literacy
- Family events
- Access to technology/information
- Access to resources
- Day care
- Historical Experience for Tourists
- Meeting spaces
- Catering for community functions
- Weddings
- Social gatherings/dances

The LLCBDA see their ownership of the property as an opportunity to support and empower its residents by expanding its outreach within the local community.

Benefit to the Municipality

The LLCBDA has a long history of over three decades providing services to the African Nova Scotian communities of Lake Loon and Cherry Brook. The group noted that there are other services being offered outside of their community, but are out of reach of many community members, especially seniors. The group states they have consulted with community members and have concluded that the lack of accessibility, lack of cultural representation, lack of culturally appropriate programming, the tendency toward mainstreaming, the lack of representation of the African Nova Scotian's among staff, make many venues unwelcoming to African Nova Scotian's. They wish to create a centre that offers a full spectrum of programs and services to all community members. They aim to compliment other service offerings, utilize the centre to its fullest capacity and offer new and updated programming to reflect the changing needs of patrons.

The LLCBDA submission acknowledges the fact that similar centres are located in close proximity (namely, East and North Preston); however, they feel the focus of these centres is on their individual communities and as such, residents of Cherry Brook and Lake Loon would feel like interlopers at these facilities.

The proposal provides a synopsis of the history of the community and the fact that it is one of the most historic African Nova Scotia communities in the province. The emotional and social attachment to this property is felt throughout the message of the document. Having been once a segregated school and then operated as a community centre, 220 Lake Loon Road was truly the heart of the community for its residents.

The proposal states that if the group is successful, HRM will be instrumental in empowering a community-based organization to provide services to its residents.

The goals of the LLCBDA fit with HRM's Council Priority for Healthy Communities. The LLCBDA does seek to provide services to benefit their fellow community residents. The values of respect, collaboration, diversity and inclusion, integrity and accountability all play a role in their proposed plan and are reflected in several sections, including Tables 4 and 5 (Schedule 4) and support the proposed flexible pricing strategy. The LLCBDA has articulated their commitment to revitalizing the communities of Cherry Brook and Lake Loon by creating opportunities for intergenerational connections to help to preserve their culture and African heritage. They see their proposal as a chance to build community assets (economic, social, political and cultural) and to contribute to the quality of life of their citizens and thus meeting the Council Priority of creating a Healthy Community.

Through community consultations combined with the long standing operation and experience of the Association and its members; the Association has determined the types of programs, services and activities that will be offered through the proposed community centre. This was well demonstrated in the business plan. However the plan lacked quantitative evidence to substantiate the level of demands for the types of proposed programming required to sustain the operations of the Centre. To illustrate the *Summary of Market Segments and their Needs* (Table 3) contained in the business plan did not contain enough evidence to strongly support a demonstrated need or gap in the supply and demand for the types of proposed services. Although this analysis does communicate that there is a clear perception in the community of a gap between supply and demand of services, it was not possible to estimate the extent of this gap and whether the magnitude of need is sufficient to support the ongoing operations of the Centre.

Viability

The application included a clear statement of terms of purchase with supporting conditions. The LLCBDA's Business Plan includes both a descriptive operational plan tied to their values and goals, and a supporting financial plan that were the basis of this evaluation.

Past Experiences & Financial Standing

The Business Plan contains a detailed and well-defined proposed management structure for overseeing and operational management of the property. In addition to the organizational chart, there are also job descriptions included for the two (2) staff positions.

The plan includes an overview of day to day operations, including; technology, hours of operation, communication/advertising, payment options, and quality control.

The proposal includes a list of numerous community activities which were facilitated by LLCBDA since its inception in 1979, (as noted above in the 'Proposed Plan' section of the Staff Evaluation). The Business Plan states that "because of the past relationships of successful programming and operation of the Lake Loon School, that current members of the LLCBDA are confident they have the knowledge, skills and abilities, and more importantly the culturally-driven motivation to operate a full service community Centre".

In the Past Experiences and Successes section of the Business Plan, it was stated that "as operational funding – which was mainly sourced largely from federal government grants – became less available, the Lake Loon School fell into disrepair". The Business Plan states that it intends to once again source funding from all three levels of government, but does not indicate to what extent they will be reliant upon this support to reach their overall revenue goals.

The submission includes a profit and loss statement for the LLCBDA for the fiscal year ending December 31, 2015. Fundraising and donations made up 77% of the total revenues of the year, which was more than adequate to cover the production cost of community events and other administrative costs. This reflects a strong community support for the Association. The 2015

Excess of Revenues over Expenditures increased by over 600% from 2014 (the January 1, 2015 Opening Balance).

The Association's current financial position is not adequate to support either the Centre's estimated start-up costs presented in the financial plan, nor help bridge the cash flow deficiencies within the first five (5) years.

Capital Plan

The uses outlined in the proposed plan are permitted under the current zoning on the property. The Business Plan states that "the centre will be operated in accordance with municipal by-laws that govern the operation of Community Centres".

The LLCBDA did not request a site visit during the allotted timeframe included in the Call for Submissions, to inspect the property or have hired professionals provide an updated, independent condition assessment.

Due to the absence of an itemized budget breakdown for the \$400,000 capital renovation plan identified in the business plan (The *Finance Required* section describes a renovations budget total of \$500,000), the ability to conduct a thorough evaluation of this component of the business plan was limited. Consequently it was difficult to determine the viability of the application given recapitalization is essential for the Association's overall success.

In addition, as it relates to capital renovation, a letter of support included in the submission from the LLCBDA President on behalf of his company, Sparks Home/Property Maintenance, speaks to plans to "gather a number of well able people to help in the demolition to the point where reconstruction can begin at no cost of labour". Due to the presence of hazardous materials, and the overall condition of the property described by the Facility Condition Assessment, demolition would need to be supported by individuals and or companies experience in dealing with such site conditions. There was no evidence to demonstrate this company or "well abled people" have been identified or approached to deal with this element of the proposal.

5-Year Operational Plan

The LLCBDA confidently described their understanding of the community's financial constraints and the barriers to service. A clear pricing strategy model for proposed services was presented.

As described in the Benefit to the Municipality evaluation section above, there were no concrete numbers provided in terms of the level of service needed and the volume of participants who would access these services. The financial plan also fails to provide a break-down of revenue income from the proposed services. (i.e. rentals and special event revenues).

The required commitment of volunteer contribution was not defined to any level of detail. Without adequate assumptions or volunteer expectations defined, it is hard to substantiate whether the operating expenditures are reasonable or adequate for the vision of service delivery proposed. However, some key expenditures itemized do appear reasonable for the estimated

building size, such as utilities. Caretaking services is one expenditure that appears to be missing from the financial plan. This is particularly relevant when “event management and program scheduling will become critical functions...equipment maintenance and security will also be significant functional areas” as described in the Operations section of the Business Plan. Whereas the Quality Control section indicated that the Centre would adopt “best practices for service quality” from the National Quality Institute, the financial plan does not reflect any explicit expenditure for staff training.

It is important to note that the financial assumptions did indicate that efforts to incorporate environmentally ‘smart’ features would be considered during the design and construction of the new building to lower associated operating costs.

In the five-year financial plan, there is no plan defined for how the LLCBDA plans to manage their negative cash flow until they are able to secure sufficient revenues above expenditures.

Within the financial plan assumptions, it is stated that the centre should begin to operate in a cost recovery position in year five (5), however, within the financial plan there is no itemized expenditure line apparent for an annual allocation towards future major capital repair costs. If the LLCBDA only plans to cover current operating expenditures, at some year in the future they will find they are in reliance for significant third-party funds to provide major repairs to the building or systems without the resources to do so.

There is no expenditure included for annual property tax cost. Although the LLCBDA is a non-profit organization and would be eligible to apply to the HRM tax relief program on an annual basis, applicants to the Tax Relief for Non-profit Organizations Program should be prepared to pay property tax until acceptance to the Program has been approved by Regional Council. Note: full tax relief is not guaranteed upon acceptance to the Program.

The LLCBDA has stated success of their plan relies on the financial contribution from all three levels of government in which they would be able to a) reconstruct the current building, or b) maintain the property to a good level of standard without government or other third-party assistance. Although there is a passionate vision to deliver “state of the art” level of programs, without confirmed sources of funding from all three levels of government, the business plan does not substantiate a viable case.

Compensation

As reported in the Call for Submissions, section B4, the 2015 commercial assessed value for 220 Lake Loon Road was \$64,300. The adjacent property at 266 Cherry Brook Road that will be required to subdivide in order to provide support services (well, septic, and parking) to the future building operation at 220 Lake Loon Road, was assessed in 2015 in the residential category at \$26,500, and alternatively in the resource category at \$10,600.

The LLCBDA has offered to purchase 220 Lake Loon Road plus the required portion of 266 Cherry Brook Road for support services for \$1.00.

Using a rounded assessed estimate of \$70,000 for the post-subdivided property, this proposed purchase price results in a net in-kind contribution from HRM to the community group at \$71,049, when deed-transfer tax of 1.5% is taken into consideration. This does not include any consideration for HST.

The LLCBDA also includes four (4) conditions of offer that have financial implications.

Per the Applicant's Terms of Purchase Offer:

1. The seller (HRM) shall waive the cost for any and all fees for: Property Appraisal; Surveying; HRM Legal Fees; Transfer of Registration of Documents; and Title Migration.
2. The seller (HRM) shall make available to LLCBDA, any and all funds originally designated for demolition of the said property. These funds shall be applied to the cost of renovation and restoration of the said property. The amount is understood to be: one hundred and fifty thousand dollars (\$150,000). In exchange for these funds, the LLCBDA shall agree to meet and abide by any and all reasonable requirements proposed by HRM as a condition of receiving said funds.
3. The seller (HRM) shall make available to LLCBDA, any and all funds originally designated for maintenance, upkeep and programming at said property, but said funds are now transferred to HRM surplus. The amount is understood to be: one hundred and seventy-five thousand dollars (\$175,000). In exchange for these funds, the LLCBDA shall agree to meet and abide by any and all reasonable requirements proposed by HRM as a condition of receiving said funds.
4. The seller (HRM) shall relocate the existing playground to a location accessible and located near the property at 220 Lake Loon Rd. Further, that a portion of the 266 Cherry Brook Rd. property, be subdivided to house the relocated playground, thereby allowing full use of the playground by the LLCBDA.

Section B5 of the Call for Submissions, estimated HRM's closing costs at approximately \$9,000-\$14,000. The cost to subdivide 266 Cherry Brook Road is further estimated to cost \$3,500-\$5,000.

It is now confirmed by Parks staff that the playground at 220 Lake Loon Road was not constructed on a sled base in 2005 and therefore it would need to be deconstructed and a new playground would need to be installed on the subdivided property at 266 Cherry Brook Road, after the well, septic field, and parking lot work are completed by the new owner. The preliminary cost to HRM for this work, without detailed design or site assessment, is estimated to be \$50,000-\$55,000.

Therefore, the terms of offer to purchase the property by LLCBDA results in:

- proceeds of sale to the municipality of \$1.00, and
- a combination of financial and in-kind contribution from HRM of \$458,549-\$470,049 (not including consideration for HST).

Content Compliance

The content compliance was evaluated according to the listing requested in the Application for Community Interest Property Purchase, as well as, section C11 of the Call for Submissions, with the corresponding results outlined in Table 1.

Table 1:

| Content | Evaluation Results |
|---|---------------------------|
| Application with terms of purchase | Received |
| 5-Yr Business Plan: | Received |
| Non-profit name and proof of registration | Received |
| Management structure | Received |
| Description of scale & type of service | Received |
| Past experiences and successes | Received |
| Description of Municipal benefit of proposed services | Received |
| Projected financial plan, including capital plan | Received |
| Historical financial statements | Received - limited |

All of the requested elements for the application were included and itemized in the submission. However there was not enough evidence provided in the proposal to substantiate the Association's ability to achieve the desired outcomes for the property.

Key Findings

1. **Benefit to the Municipality** (staff weighting 25/30) – The LLCBDA's Business Plan provides a collaborative plan rooted in cultural values and supportive to empower all demographics of the Lake Loon and Cherry Brook communities. The presented vision supports HRM Council's Priority for building Healthy Communities.
2. **Viability** (staff weighting 15/50) – The LLCBDA has sufficient past experience related to coordinating community events, however, if the LLCBDA is unable to secure third party partners, there is an identified risk that this board will be unable to fulfill and sustain the proposed service goals. Funding for the reconstruction of the building has not been identified and the installation of required support services appear to be primarily dependant on HRM financial contribution. Future proposed operating revenues would be insufficient to support a reasonable financing arrangement and therefore the success of LLCBDA to rehabilitate and operate the property is highly dependent on third part contributions. The lack of quantitative information provided regarding anticipated need and community usage levels of the proposed services make it impossible for staff to determine whether the projected revenues are sufficient to support sustainable operations. The Business Plan does not identify how the LLCBDA plans to manage the negative cash flow in the first five years.
3. **Compensation** (staff weighting 0/15) – The LLCBDA is offering to purchase the property for a lower than market value of \$1.00. The conditions of their offer to purchase result in a combined financial and in-kind contribution to the LLCBDA from HRM to a maximum of approximately \$470,049 (not including consideration for HST).

4. **Content Compliance** (staff weighting 4/5) – The content submitted by the LLCBDA met all categories requested by the Call for Submissions. There was a lack of quantitative documentation to substantiate the vision presented.

Conclusion

In their submission, the Lake Loon Cherry Brook Development Association has demonstrated the vision, commitment and desire to purchase the property in question; however there is a disconnect between the 'collaborative, state of the art vision' for the property, presented by the LLCBDA on behalf of the broader community and what is reflected in the financial plan.

The letters of support reflect the commitment of residents in supporting their African heritage and their strong sense of community. This property has been considered the heart of their neighbourhood and they do not want to lose this historic connection; however the letters of support offer little in terms of contribution. There is only one offer of a portion of in-kind construction work from the LLCBDA President and another regarding in-kind plumbing from a community member. Partners for service delivery at the centre have been suggested, but there is no evidence of preliminary discussions.

If the community is able to support the building operating costs and have it as a community hall, there will be intrinsic value to their ownership of the property as representation of their heritage. The main concern is that the financial plan does not substantiate the ability to bring the property into operational condition without the financial contribution from third parties. There is also no defined financial plan to bridge the funding gap over the early years of operations until an adequate revenue base is built. Finally, due to the small size of the community as its target audience, it is unclear whether the user base will be adequate to support the operations of the property at a sustainable level.

Schedules

Schedule 1: Public Information Meeting Presentation

Schedule 2: Public Information Meeting Minutes

Schedule 3: Call for Submissions – 220 Lake Loon Road & Portion of 266 Cherry Brook Road

Schedule 4: Lake Loon Cherry Brook Development Association Submission

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Public Information Meeting

ADMINISTRATIVE ORDER 50 – COMMUNITY INTEREST
Former Cherry Brook Community Centre
220 Lake Loon Road

Date September 24, 2015

Agenda

1. **REAL ESTATE PROPERTY DETAILS**
Location & Site Details
Condition Report
2. **ADMINISTRATIVE ORDER 50 – COMMUNITY INTEREST SALE PROCESS**
Calls for Submissions
Application
Evaluation Criteria – (1) Staff, (2) Regional Council
3. **QUESTIONS**

HALIFAX

Administrative Order 50

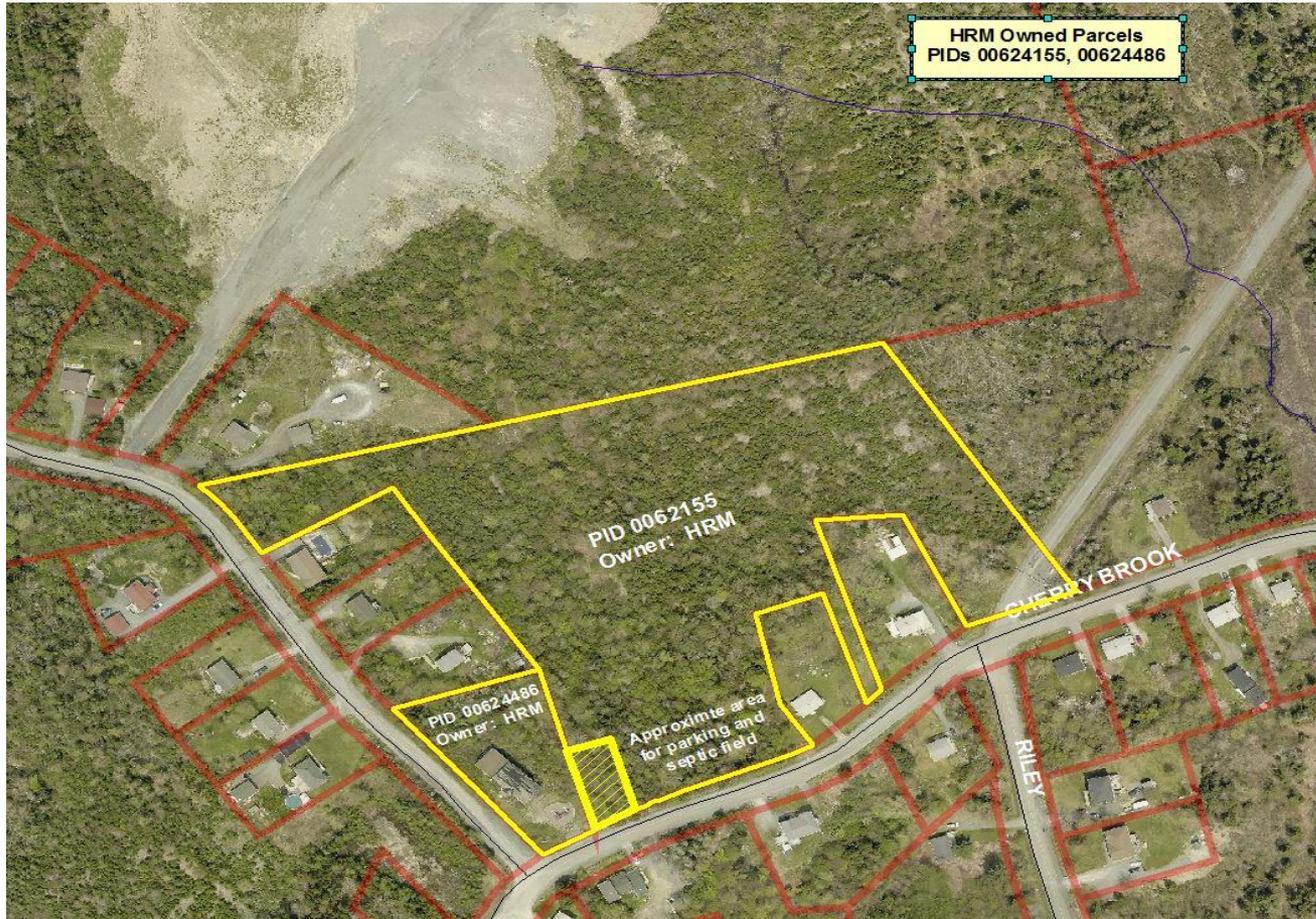
Sale of Surplus Properties

Property Details

220 Lake Loon Road and 266 Cherry Brook Road

Date September 24, 2015

Property Plan



220 Lake Loon Road

- PID #00624486
- Property Area = less than 1 acre
- 1951 Crown Grant (Book GR11,Page 234) whereby land was granted to the Trustees of School Section No. 58
- HRM Legal Services has confirmed that HRM is the owner of the property, and that title is un-encumbered. Determination was through title search and a review of statutory provisions.

266 Cherry Brook Road

- PID # 00624155
- Property Area = 8.9 acres
- Acquisition of property was approved by Regional Council December 9, 2008.
- Deeded to HRM in March 31, 2009 (Document No. 93126036)

Building Condition Report

- Prepared by Capital Management Engineering Limited for HRM May 2014
- Full copy of Building Condition Assessment Report available at :

www.halifax.ca/surplusproperties/communityinterest/cherrybrookctr/documents/220lakeloonfacilityconditionassessment.pdf

Building Report Summary

- Building vacant since at least 1990, with power being disconnected in 2004. Currently boarded up with no access.
- There has been no water, sewer, or sanitary services for at least 10 years.
- Significant bird and rodent / animal activity and substantial water leaks.
- Building would be classified as unsafe and a significant health hazard in its current state.
- Conclusion of Report was that it should be demolished.
- Estimated Repair Costs = \$600,000+

Zoning Map



Zoning – 220 Lake Loon Road

- **P-2 (Community Facility) Zone**
- Land Use By-Law: North Preston, Lake Major, Lake Loon, Cherry Brook and East Preston
- Permitted Institutional Uses
 - Community centres and halls
 - Day care facilities, including single unit dwellings in conjunction with day cares
 - Denominational institutions and uses
 - Educational institutions and uses
 - Fire and police stations
 - Government Offices and public works
 - Hospitals and medical clinics
 - Nursing Homes, Public libraries, museums and galleries
 - Residential care facilities
- Permitted Open Space Uses
 - Cemeteries
 - Historic sites and monuments
 - Public and private parks and playgrounds

Zoning – 266 Cherry Brook Road

- **RA (Residential) Zone**
- Land Use By-Law: North Preston, Lake Major, Lake Loon, Cherry Brook and East Preston
- Permitted Residential Uses
 - Day care facilities for not more than 14 children and in conjunction with a permitted dwelling
 - Existing mobile dwellings
 - Group care facilities
 - Multi-unit dwellings containing up to 4 dwelling units, Rooming and boarding houses
 - Row/town dwellings containing up to 4 dwelling units, senior citizen housing
 - Single unit dwellings
 - Two unit dwellings
- Permitted Community Uses
 - Day care facilities, Institutional uses
 - Government offices and public works
 - Recreation and open space uses

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Administrative Order 50

Sale of Surplus Properties

Community Interest Category Process

Municipality reviews properties deemed surplus.

Surplus properties are allocated to categories as described in the Administrative Order 50. They include:

- Economic Development
- Community Interest
- Ordinary Sale
- Remnant
- Extraordinary
- Intergovernmental Transfer

Regional Council approved the sale through the Community Interest category and associated process.

Community Interest Category (Administrative Order 50)

Community Interest : 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. (ii) by location or scarcity of available property the consideration would reasonably arise.
- **Important Note:** this is a new process for disposing of surplus properties. This is the first property to go through the AO 50 Community Interest category. All future properties allocated to the Community Interest category will be sold using this process.

Information for Community

The following information is available to Community Groups:

Details about the property (condition assessment, zoning, other) – specific to the property – presented by Real Estate

1. **Community Interest Property Disposal Call for Submissions**
2. **Community Interest Property Disposal Application**
3. **Staff Evaluation Guidelines (note Regional Council evaluation)**
4. Community Interest Suggested 5-Year Business Plan Template
5. Frequently Asked Questions

All available on the web site as well...

Community Interest Property Disposal Call for Submissions

Contains detailed information related to:

1) Background:

- The Policy (Administrative Order 50)
- Reports to Regional Council
- Public Hearing Requirement

2) Call For Submissions:

- Property Identification
- Staff Contacts
- Site Visit (if applicable)
- Cost of Sale Recoveries
- Site Map & Photograph(s)

3) General Instructions:

Some of the **main** components include:

- Application Deadline
- Eligibility
- Applicants Expense
- Taxes
- Submission Content (**check list)

4) Other Relevant Information

- **Evaluation Process, including scoring guidelines**
- Terms & Conditions of Sale
- Closing Sale Process
- Buy Back Agreement
- Other: information related to the specific property

Community Interest Property Disposal Application

Application contains:

- Standard Application and list of information requested (to be submitted with the application).
 - The more information provided in the application will better allow staff and Council to understand the proposal and assist with better recommendations and decisions.
- 5-Year Business Plan – Suggested Template
 - A template to provide guidance for Community Organizations

Staff Evaluation Guidelines

Contains detailed information on how all applications that are submitted within the stated deadline are evaluated.

This document Contains:

- Definitions of terms used...
- Detailed Information for Staff Evaluation Process
- Detailed Information of the Evaluation Criteria
 - Benefit to the Municipality
 - Viability
 - Compensation (could include purchase offer, costs associated with sale, etc.)
 - Content Compliance

Thank you!

HALIFAX



**Public Information Meeting – AO50 Community Interest Property Sale
220 Lake Loon Road / Portion of 266 Cherry Brook Road
MINUTES
September 24, 2015**

PRESENT: Bruce Fisher, Manager, Financial Policy & Planning
Tom Crouse, Manager, Acquisition & Disposal, Corporate Real Estate
Peter Greechan, Community Developer, Grants & Contributions
Natalie Perkins, Community Developer, Regional Recreation & Culture
Brad Anguish, Director, Parks & Recreation
Crystal Nowlan, Sr. Financial Consultant, Financial Policy & Planning
Deputy Mayor Lorelei Nicoll

The following does not represent a verbatim record of the proceedings of this meeting.

The meeting was called to order at 7:07 p.m., and adjourned at 9:14 p.m.

1. CALL TO ORDER

Bruce Fisher, Manager of Financial Policy & Planning HRM called the meeting to order at 7:07 p.m. He outlined the purpose of meeting and that procedure to acquire the Cherry Brook Community Centre would be explained by the presenters Tom Crouse, Peter Greechan and the Q & A would be facilitated by Natalie Perkins. He mentioned there were also various HRM staff present to help answer questions and the Deputy Mayor Lorelei Nicoll from Council was also in attendance. He mentioned that the meeting tonight was being recorded to help capture as much as possible for the minutes.

2. PURPOSE OF MEETING

ADMINISTRATIVE ORDER 50 – COMMUNITY INTEREST

To discuss the process for non-profit groups to apply to acquire the Cherry Brook Community Centre.

3. PROCEDURE TO ACQUIRE THE CHERRY BROOK COMMUNITY CENTRE

3.1 Details on the Property

Presenter 1: Tom Crouse, Acquisition & Disposal Manager for HRM Real Estate

There are two properties (PID's) for consideration:

PID #00624486 - 220 Lake Loon Road currently has a school on the site. It is less than an acre in area. The property line dimensions are approximately 216 x 268 ft. The count promotion also involved a portion of another HRM property beside it and a motion was made to reserve space for a possible septic field or parking etc. depending on what comes in.

In 1951 Crown Grant (Book GR11, page 234) whereby land was granted to the Trustees of School Section No. 58. HRM Legal Services went over the title, reviewed it and confirmed that HRM is the owner of the property, and that title is un-encumbered. Determination was through title search and a review of statutory provisions.

PID # 00624155 - 266 Cherry Brook Road is a portion thereof and the exact dimensions are still unknown however the total property area is 8.9 acres. Acquisition of property was approved by Regional Council December 9, 2008. Deeded to HRM in March 31, 2009 (Document No. 93126036).

Building Assessment Report is available online and was prepared by Capital Management Engineering Limited for HRM May 2014. There is a full copy of Building Condition Assessment Report available at : www.halifax.ca/surplusproperties/communityinterest/cherrybrookctr/documents/220lakeloonfacilityconditionassessment.pdf

Executive summary of what was found in 2014 is that the building has been vacant since at least 1990, with the power being disconnected in 2004 and is currently boarded up with no access. There has been no water, sewer, or sanitary services for at least 10 years. There is significant invasion of bird, rodent / animal activity, substantial water leaks and some standing water. According to the report, the building would be classified as unsafe and a significant health hazard in its current state.

Conclusion of the Report was to demolish the building and that the replacement value exceeded the current value. Estimated Repair Costs = \$600,000+ (in 2014). Also it's a rough estimate and if further investigations are conducted, more damage could be found.

Property Zoning - PID #00624486 - 220 Lake Loon Road is a P-2 (Community Facility) Zone under the Land Use By-Law: North Preston, Lake Major, Lake Loon, Cherry Brook and East Preston.

The permitted institutional uses are: Community centres and halls, daycare facilities, including single unit dwellings in conjunction with daycares, denominational institutions and uses, educational institutions and uses, fire and police stations, government offices and public works, hospitals and medical clinics, nursing homes, public libraries, museums and galleries, residential care facilities.

The permitted open space uses are: Cemeteries, historic sites and monuments, public and private parks and playgrounds.

Presenter 1 advised before putting in a submission to contact the Planning & Development department to confirm the proposed use would be permitted – i.e. a community hall can take a different form for different individuals such as it could involve a medical clinic or commercial daycare and the depending on the use will effect the zoning.

PID # 00624155 - 266 Cherry Brook Road RA (Residential) Zone is under the Land Use By-Law: North Preston, Lake Major, Lake Loon, Cherry Brook and East Preston

The permitted residential uses are: Day care facilities for not more than 14 children and in conjunction with a permitted dwelling, existing mobile dwellings, group care facilities, multi-unit dwellings containing up to 4 dwelling units, rooming and boarding houses, row/town dwellings containing up to 4 dwelling units, senior citizen housing, single and two unit dwellings.

The permitted community uses are: day care facilities, institutional uses, government offices and public works, recreation and open space uses.

Both properties have similar zoning uses.

3.2 Process to Acquire the Property

Presenter 2: Peter Greechan, HRM Grants & Contributions

Administrative Order 50: When property becomes surplus the Municipality reviews and allocates to categories: Economic Development, Community Interest, Ordinary Sale, Remnant, Extraordinary and Intergovernmental Transfer. In this case, the Regional Council approved the sale of the Lake Loon and Cherry Brook properties through the Community Interest category and there an associated process that goes along with that approval.

Community Interest properties are those that are known to have potential for community use, in particular where there has been (i) a prior community or institutional use of the property; or also (ii) by location or scarcity of available property in the area.

This process is unique as this is the first property to go through this process as it a new policy and the Community Interest category is designed to give exclusive rights to community non-profits to place bids on property. There are no other interests involved and it's primarily open to community groups.

Presenter 2 mentioned that documentation of the process was available at the meeting and also on the HRM website.

Documentation

Call for Submissions: Contains detailed information related to: The Policy, (Administrative Order 50), Reports to Regional Council, Public Hearing Requirement, Property Identification, Staff Contacts, Site Visits (if applicable), Cost of Sale Recoveries, Site Maps & Photographs, Application Deadline, Eligibility, Applicant Expense, Taxes, Submission Content, Terms of Conditions of Sale, Closing Sale Process, Buy Back Agreement, Other.

Application: Although not mandatory, the more information included on the application will give a better understanding of the proposal for the staff and Regional Council when going through the submissions.

5-year Business Plan Template: Available for to provide a tool and guidance for the community organizations that are considering a submission and can be beneficial when completing an application.

Evaluation Guidelines: It is key to see what staff are looking at when evaluating a proposal. The four main criteria are:

- **Benefit to Municipality:** What types of quality programs, services and/or activities are best for the local community as defined by the applicant?
- **Viability:** Demonstrate that the organization is able to support the on-going operation of the facility and proposed programs, services, and/or activities.
- **Compensation:** This is an exclusive process for non-profit groups so there is no desire to offer market value and that is why this process important.
- **Content Compliance:** Basically confirming that everything that is asked for is included in the application.

Staff are available to assist in defining any of the terms in the Application or Call for Submissions. There is contact information so anyone can contact staff anytime during the process.

3.3 Question & Answer Session

Facilitator: Natalie Perkins, HRM Community Developer

Guidelines: Facilitator asked the community members to follow guidelines – to respect what each person is saying, share the mike by asking questions and follow-up questions succinctly and letting the next person ask their questions.

A basket was passed around for written questions to be read out by the Facilitator as well.

Community Member Q1: On behalf of the Cherry Brook community why according to the process under Administrative Order 50 were they placed under Community Interest where they qualify as Extraordinary due to the historical value and it ensures the safety that they will retain a community centre at the end of the process?

Presenter 2: We don't deal with the Extraordinary category. Once Regional Council approved the motion under Community Interests that was the direction their department was given. The direction for the staff is to help the community go through the administrative order.

Presenter 1: General speaking for considering properties that have historical or legal distinction there is a separate legislative process beyond this. This process is to give the community an opportunity to acquire the property before disposal.

Community Member: As far as I'm concerned when things go through Council pertaining to our community, they should be notified the process is taking place. The community was not aware that their Community Centre was going under Administrative Order 50 and this is the first time the process is being used. The community feels that it's unfair. The decision was passed by Council in April, 2015 and now it's September and the process is just now getting started. It was acknowledged by a Councillor that the building is not going to be standing over another winter. Given that the process in the early stages, how does HRM expect the building to withstand the elements between now and the time that this process is completed? Hypothetically, say the community members did go through this process by the time they did attain the building it would be so late in the winter that the roof needing repairs immediately, not months down the road would be in bad shape. The roof needs repairs today and yesterday not in 3-4 months.

Presenter 1: Through the Order, staff is committed to at least once a year going to Council with a list that goes through Administrative Order 50. Two lists have been reviewed over the last 2 years; however this property was one that wasn't part of a bigger list. Of the two previous lists there was an approximate total of 4-5 properties that were categorized as Community Interest, so there are not many properties that are categorized in that stream. So as it was mentioned that this is first property to go through this process. As well, there were other properties that were actually being considered to go through process and the Cherry Brook property was chosen after discussion with the community and other HRM staff members, to go first.

Community Member: You discussed it with the community, when?

Presenter 2: Other staff other than those presenting at the meeting were responsible for those discussions.

Community Member: Who? I am the community representative and there was not a discussion with me and the executive.

Presenter 2: HRM was approached to ask to expedite this process.

Community Member: Why?

HRM Staff: Because there is a sense of urgency. The community wanted this issue tackled at this point.

Community Member Q2: Good evening everybody. You've told us that the building would have cost \$600,000 dollars, correct me if I'm wrong to fix it up, to maintain it? HRM has maintained all along that they own the building and so I'm wondering on behalf of the community, why the building is in the state that it's in today? If you had \$600,000 to demolish it, why wouldn't that money be taken and put into the building to fix it up?

Facilitator: Alright thank you.

Presenter 1: Just clarification \$600,000 was from that report and is an estimate from what was seen during that inspection. I don't think it would not cost that to demolish it.

Community Member: How much was it estimated to fix up?

Presenter 1: +\$600,000.

Community Member: So answer the second part of the question. If HRM owned the building all along...the lights were cut in 2004, you've never done anything to it....why is it standing in the condition that it's in? Why don't we deserve to have a building like everybody else? I know we have no backbone to help us. Council doesn't help us. They just show up when they need to be here. You know I am being very honest. How do you justify this?

Presenter 1: I know and I appreciated that and I can't answer why those decisions were made as they were beyond me. Certainly, it's not the only building in HRM that's in that state.

Community Member: Can you name another one for me please?

Presenter 1: Blackpoint School in Blackpoint.

Community Member: It's not a historical building though in a predominantly black community.

Presenter 1: Ok you asked me for examples for abandon buildings. There one for sale right now in Fall River, the former Fall River Rec. Centre.

Community Member: Is it a predominantly black community, historical building? If it's not then you are not answering my question.

Presenter 1: My understanding of the question was do we have any other buildings that are in this state, in this disrepair? There are others, yes. And again the decision about putting money into a certain building goes beyond my scope.

Facilitator: Ok we are going to take one question from the basket.

HRM Staff: By the way, I'm Crystal Nowlan, Financial Consultant under the Financial Policy & Planning Group.

Community Member Q3 [Read from submitted card]: Since the community centre was in the community for so long. Why can't HRM just give the centre to the communities Cherry Brook-Lake Loon?

HRM Staff: So basically we are governed by the Halifax Charter which is a piece of legislation set by the province and it explicitly sets out how HRM disposes of properties. So under that Act we have to sell properties at market value. We can not give them away for anything less than market value unless they meet certain tests and it's those tests in Administrative Order 50 that you have to go through for your Call for Proposal. There is no other way that I know of legally that we can dispose of those for no market value without meeting those tests in the Act. So Council has taken the tests out of the Act, and they've been put in Administrative Order 50, they've made applications, guides and templates to make it easier for community groups to understand, so they can now bid on those properties without having to bid against the big commercial interests who might want to do something. So that's why it's set up that way because we are required legally to do that for the province. The Extraordinary Interests category is really for properties like The Commons which has it's own piece of legislation so that why the Cherry Brook property can not fall under it, because it is a entirely very specific, separate legal stream. That's my understanding.

Community Member Q4 [Read from submitted card]: Can any non-profit organization apply?

HRM Staff: Yes any non-profit can apply and they have to be 100% non-profit. They can't be a non-profit with a 2% interest from a business for example.

Community Member Q4A [Read from submitted card]: If so, if their bid is higher does that mean they won't own the building?

HRM Staff: No, if you go through the process, I believe there are four criteria for staff. So Peter, why don't you review those again because we want everybody to understand what they are and how they get evaluated. We have a part that staff that is required to comment on it, and then it goes to Council and they make the final decision based upon what they hear from us but also on their own criteria. So Peter let's walk through that little bit but make sure people know the four criteria

Presenter 2: These are the main four criteria and with them there's a...

Deputy Mayor: Could you repeat two of those? Bruce is saying that they don't qualify under the historical Extraordinary component? Could you elaborate on that?

HRM Staff: So if you look at the Halifax Commons, there's a piece of legislation that surrounds how those properties are specifically dealt with. Tom you would know more about streets. There are specific laws around how streets are closed and if the municipality doesn't need a street how it closed it and sells that land and there are other parts of the land that have specific laws that surround its use. And so the

Extraordinary is really meant to field all those situations that have specific, dedicated laws around a certain type of property or specific property.

Deputy Mayor: So what you are saying Bruce is that the Dartmouth Common is one of those because it has provincial legislation that protects the history of that park.

HRM Staff: That right. There is a Dartmouth Common Act or piece of legislation around that Dartmouth Common

Deputy Mayor: And this property wasn't identified as it wasn't legislated by the province as a historic site.

HRM Staff: It's not. So it falls into to category of many other types of community style properties, whether they are historic or not. So there are former schools, former community buildings and other types of buildings that for one reason or another the municipality has gained through its history the need to be disposed of. And so when the look at those they are required to sell them for market value, the exception being if a community group can show that it's a benefit to keep it in the community they can sell it to their non-profit community group for a low market value. They can sell for a dollar, or whatever but Council has to be assured that it's a benefit to the community. So this is the process. We apologize that's it's a little bit legalistic in its nature.

Deputy Mayor: I just wanted to make sure that it's understood that the Community Interest was the only category that this property could fall under?

HRM Staff: I believe that's the case. I don't think it can go under any other categories legally. I think that's a legal issue. We could sell it market value if we wish for example but to sell at below market value you have to be in this category and this process.

Deputy Mayor: Is Peter going to go back through the criteria?

HRM Staff: Yes he was going to go back through those and I really think it's important that the community understand.

Presenter 2: These are the main four criteria and how the evaluation is scored is that Content Compliance and Compensation are ranked very low in comparison to the Benefit to the Municipality and Viability. So what a non-profit offers for a purchase price of a property is much lower in the evaluation than the benefits to the community or the viability which is a business case to operate with the scope. So when we evaluate a proposal, we focus more on the benefit to the community and viability although we do look at compensation, but its rank is very low as mentioned and viability of the submission, how would they make this work.

Community Member Q5: What is the market value of the property at present?

Presenter 1: We don't have the market value of the property at present but there will be a section in the Call for Submissions for assessed value, so that will be available.

Community Member: Before you start the process, you need to know what the market value is.

Facilitator: Are we ready for the next question?

Community Member Q6: After the non-profit group submits their proposal for the purchase of the property, what is the process or who evaluates those proposals and gives the submission of the successful group to HRM?

Presenter 2: There will be staff from various departments that will be involved in an interdepartmental team, so the probably will be someone from Finance, Recreation, and Grants & Contributions that will

meet and evaluate the proposal within 90 days. An information report will be presented to Council after that period and then a decision will be made.

Community Member: So I am correct to assume that is an independent group that is put together to evaluate this?

Presenter 2: Yes. Each property that goes through this process will be unique, so in this case we may bring in a heritage planner. For others we may bring in someone for recreation given as that site could be used for recreation purposes. So when we get a proposal we will have a better idea of the team we have to put together to look at the proposals.

Community Member: But they are HRM staff?

Presenter 2: Yes.

Community Member Q7: The Lake Loon School closed in 1968 that was made surplus and before it was in the state that it in now. The school went back to the community in terms of a community centre. How can HRM consider this surplus and put in on the Community Interest properties when the Lake Loon- Cherry Brook property has a 99 year lease and we have not been talked to or anything prior to that. So how do you do that?

Presenter 1: In the files, we have yet to see a copy of the actual lease. The Lake Loon Community Centre file indicates it was a verbal lease.

Community Member: There was a lease.

Presenter 1: Do you have a copy? I would love to see a copy.

Community Member: No but in a court of law, I can bring people who would testify it was signed.

Presenter 1: Ok so my next question is if there was a lease and they were a tenant, they obviously vacated the building as there is nobody there.

Community Member: If your landlord turns off the lights, would you be there?

Presenter 1: I wasn't the landlord and I have no history of this so afterwards we should sit down and talk about it.

Community Member: There needs to be more discussion the community and the people who know the history and could give you a picture of what went down before being put into the Community Interest category and put on the market. Because that there is a lot of information that you do not have and that we do have a 99-year lease. And that says to me, "What are you guys doing?" We need to talk about this. And when it comes to Extraordinary properties, I would assume the only little Black schoolhouse left in the metro HRM would have some kind of significance other than being put under Community Interests.

Applause

Community Member: So I think before we move any further, HRM needs to have a discussion with us in the community about where we go from here. We need to stop this and talk because I can bring the people who were there when the signing took place.

HRM Staff: I know nothing of the history of this property. I hear a lot of you explaining about the great benefit to the community of this building. So if you are interested in making a proposal to acquire this property, we need to really talk about that. This is venue that you can really explain those things and make the case about how important it is and how significant it is.

HRM Staff: The conversations that I've heard and I'm trying to learn a lot about the property. What I've heard is that there was a lot of work done with legal counsel to find that paperwork to trace this through. They couldn't find it. All they could find was a deed to change in ownership from the province to HRM. What Council did by declaring this surplus and going through this process which is the only process we have to dispose of property, HRM sees the value in the property for the community. We're in the situation that we are and it says we are the owners. This is the process that we need to go through and that why it's been declared a Community Interest category is because historically whether it's been a school or a community centre, it's been the focus of the community and that's why it wants to continue seeing the benefit for the community. This is the process that we're bound to follow.

Community Member: The way I see it, the power that be is trying to railroad us. Now I've been part of the community development years ago and I know some of the stuff that took place. And you're talking about having a meeting with us, talking about market value but you can't tell us what the market value is. We are not ignorant people. We are not, so don't take us to be ignorant, stupid people because we are not. Those days are gone. Now I dealt with Mr. Peter Townsend and he is the one who did the conceptual drawing for us for a new Centre and the municipality should have that in their office. What did they burn them up? I don't think so. You guys will bring stuff to us to throw it in our face and think that we're gonna settle for it. Not gonna happen. This is 2015, not 1815 (applause) and you gotta stop what you're doing because we have children and we were brought up in this community. Yes it was a 99 lease. All of a sudden, it just happened so suddenly that no one knows nothing about this. But back when I was talking to Peter Townsend, when they were doing the conceptual drawings, there was a \$500,000 and they said he would scale it down some. There's a lady in our community that gave or sold property under the understanding that it would be used to have extra room to put a community centre there. Are they going to reimburse her? I don't think so. You want to give her a song and dance and Mr. Hendsbee was there walking around, gathering up? Who is going to be accountable? How do you all sleep at night doing all this crooked work? You've got the Councillors, what are they doing for us? Smiling in our faces and given us nothing. Throw them a bone, they'll take it. I'm not taking any bones. Now I have to say to our community, they can't give us a paper showing that show us the market value. They can show us market value for everything else, so why can't they show us for this? I won't stand for it. I may be a poor, black woman but I'm not a stupid poor, black woman. And I am gonna stand on the principal and take that back into town and use it. Because it's not right what you're doing. You've got people paying taxes and what are we getting? Look at our sidewalks. We're paying for sidewalks and our children are coming up around corners on the ground. When are you going to do something? – when some child is laying in their grave. You go over down there in Forest Hills, all kind of playgrounds. Our children don't even have a swing to swing on. Wake up. We have to go to this meeting and do this? Come on, smarten up. We're getting older and we're getting wiser. And I can't speak for somebody else but we gotta learn to stand on our own two legs. And then you are talking about a little Community Centre? And we look around again there will be a big housing development over there. We're not blind. The writing is on the wall. So tell it to somebody else. But as far as this meeting tonight, it shouldn't even be thought of if you couldn't bring all of the things to the table. If you couldn't tell us the market value is. What are you going to say? Oh seven months down the road put in a bid for this but we'll have it fixed that they'll never own it or they'll never have it. And that's all I have to say.

Community Member Q8: Alright what I have to say, this is on behalf of the community. I realized that things are done with legislation but this is beyond legislation, actually this is more moral. We as a community have been fighting for the Centre for years. So the first community that should have the option to restore the community centre and do something with it should be the community that has been fighting for it. It would be a slap in our face to put this out there for any non-profit organization to come and fix our Centre for us when we're trying to do it for ourselves. You guys need to renegotiate your legislation or something but it needs to be more focused towards the community that is fighting for something than other people out there just want to come in and do something because we don't want anybody doing anything else to our community. We want to do it for ourselves, so just allow us to do that.

Community Member Q9: I have one question. In looking at the Municipal Planning Strategy for North-Preston, the Lake Loon Cherry Brook and East Preston, the document was originally written in 1993 and amended in 2006. Page 40 under recreation: Present recreation facilities, recreation centre buildings in a three communities namely North Preston, Cherry Brook and East Preston and these facilities are owned and operated by the local rate payers. When did HRM gain ownership which by its own words in 2006, they never owned?

Presenter 1: HRM has the assessed value of the building. For 220 Lake Loon it's \$64,300, that's 2015 Commercial assessment. Keep in mind when it comes to the property, we all have to pay taxes on the property. That's the number on Nova Scotia Property On-Line. And the other property will probably be a portion thereof.

Community Member Q10: I have another question too concerning the lease. I know most people who have lived in the community for a while have heard about the 99-year lease. I don't personally know the documentation history but I think for the community that's a legal question. We need a lawyer and we should have a lawyer searching up where the documentation is on that lease. We should do that.

Community Member Q11: I must say I agree with everything our community of Cherry Brook- Lake Loon has said tonight. In the early 1960's, when they built Humber-Park Elementary School I was told by the school board that they were going to close Lake Loon school and they said if you want that building that people can have it for a community centre. So it opened as a community centre in 1968 and they gave us a lease for 99 years. I was the one who went around the community and got people's signatures. And at that time, it was the late Clyde Bishop, Deacon Ralph Sparks and myself. And we started this program, the Lake Loon Cherry Brook Community Development Organization. We used that community centre. I taught there. I also was a student going to the school there. We used it a church. We used it as a polling station. We used it for weddings. We used for a daycare centre. We used for parties. Everything you can mention, we used that community centre. Now I want to ask this question. Is Cherry Brook-Lake Loon an enemy of Halifax County-HRM? It seems we can't get anything. We've been here for almost 300 years and we have helped other organizations, other communities, and HRM went right through our community and got water and that water going to Dartmouth and to Halifax. And they wouldn't even allow our own people in the community to get that water. We are having a tough time. Every time we ask to do something, we want to do something, there are road blocks. You are now telling us that that building is worth \$600,000 and you're saying that the property is \$64,000. That building and that property should be given to the Lake Loon-Cherry Brook community for nothing. We couldn't use it for years. Even Halifax County couldn't use it for years. So now, when we want to do something about it they're telling us that it's worth \$600,000 to scare us. I think from the last 4 or 5 years, I went to the George Dixon Centre, I think it was the George Dixon Centre when the mayor then was Peter Kelly and he gave that certificate to Africville. And he said and there were other provincial government officers there as well and they said this would never happen to another black community again. So here we are again. We always have to fight for everything. Other communities come up and they're new and they get everything. We have nothing for our children. Our children are growing up in the community and we don't even know them anymore. So I would say go back HRM to your office. I can ask our Councillor to do something for our community. It's about time that somebody does something for us. We're always moving aside but nobody's doing anything for us. So it's about time. I don't think that we should have to raise any amount of money to buy anything. They're not using the Centre. Just like a dog with a bone. Nobody's using it but when we want it, it costs a lot of money. But it's about time. And I also know that you know that over \$145,000 was given to us toward a community centre. HRM took that money and used it on Graham Creighton School. They've been taking from us for years and still want to take from us. I think tonight Cherry Brook- Lake Loon is telling you they want you to do something about it. Give something to them. Our children are growing up they have to leave the community. I'm one of those people who had to leave the community. I wanted to build a house and I was teaching for the county all my life. And I wanted to build a house and was they told me, "No you can't build a house here". So there were houses on sale in Humber Park. I bought a house there and I haven't had enough money to move back. After that happened they built Montague Estates. Everything happened after that. But for the black people, "You can't build." So we have had road blocks for years and years and years. It's about time that foolishness was stopped.

HRM Staff: Hi my name's Brad Anguish and I work with the city in the Parks and Recreation department. I just wanted to make sure that there's no uncertainty about the process in the terms of money because I've heard a lot about the money. I just want to really make sure that you understand that this is a Community Interest process that Council, because of what happened with the whole St. Patrick's Alexandra and what happened there; they had to put in a proper process to make sure it's fair and equitable. What I want to drive home here the dollar value can be zero under this process. And I think somewhere we've lost that and I take full—you know we work as a team and we thought we had prepared well enough for tonight but no, I hear that. I just want to come back to the market value too. Because my role is to sit back there and listen intently and I sincerely from the bottom of my heart appreciate the comments from the community and I mean that. I live just down the road in Porter's Lake as well. So I just want to drive home this is a process that we're following. If there's one group in Lake Loon-Cherry Brook and, if it's the Lake Loon-Cherry Brook Development Association that's submitting, the number can be zero. This issue is, for Council is to go through that criterion and if there's a significant benefit to the community as you've heard Council can absolutely consider that. That's the decision that Council made. They have a choice; they can sell it for money. They've made the choice that there may be a submission that there won't be any money but just benefit to the community and I think that's what I'm hearing everybody talk about. So look, I understand the process is frustrating, I do and you're correct, I'm a bureaucrat and I hate paperwork. But like I said, staff will help people prepare that paperwork but I want to stress the number zero. As for the \$600,000, the only reason that number exists is because Council wanted to know what would be the cost for the municipality, not necessarily a community group, the municipality, contracting the work to put the building back. That was estimated at more than \$600,000. We have worked with Lake Loon-Cherry Brook Development Association can probably mobilize the community to do that for a lot less. So I just wanted everybody to understand that. And as well, I think another piece that's important, that property itself is not under threat in terms of staying within the community for community use. Ok? Just hold on, because the first step in this process was staff had recommended, because of the value to reconstruct the building and because of the availability of facilities in the area, and I know that's under debate here, staff had recommended to demolish the building, build a piece of park land, and consult with the community. Council has put that on hold because they've heard from the community that the community wants to bring the building back to life and that's how we're here. And I think we've missed that in trying to tell how we're here. I don't know if I made the process worse. I hope not. But I'm certainly open to more questions. Thank you very much.

HRM Staff: Before we go on just so you guys don't feel like we're not reading the questions. I think Brad just answered this one.

Community Member Q12 [Read from submitted card]: David Hendsbee reported a few years back in congratulations to Hammonds-Plains and Lake Echo to buy their buildings for a dollar? What's the difference from our former centre and theirs?

HRM Staff: So I think Brad just made the comment that it can be a dollar; zero. That's what we mean by "below market value".

Community Member [Read from submitted card]: Currently how much help is the government currently giving them?

HRM Staff: I can't speak to those Centres. That is one of the benefits of owning the building versus leasing it. If you own a property you are unencumbered from seeking outside financial help, grants, other programs for assistance.

Community Member Q13 [Read from submitted card]: Why do North Preston and East have Centres? Don't we deserve one?

Community Member Q14: I heard what Brad just said and he did stress that point about updating the community and your whole process here was to put this back into the hands of the community. The

reason why I am having difficulty with this process is because the part you're not telling the community is this, which is under number (l) of the Community Interest properties. In the event that Council rejects any or all non-profit organizations submissions to purchase at less than market value, Council may direct staff to proceed to sell the property at market value. So therefore if we use this process, we are also subjected to that clause. And that's why I have a problem with it.

HRM Staff: You are absolutely right. So I just want to – because words are important. First of all, first word in there is “may”, ok? Second and most important thing is that staff already made a recommendation to retain the property in the community for park land. That motion was deferred so it keeps the property in the community is my point. There is still a number of steps to go through procedurally because Council put that recommendation on hold while we go through this process. If it at the end of the process, Council is not comfortable with what they've received for whatever reason they still have to deal with that recommendation that was on the floor which was to retain the property in the community. So I just want to make that clear. These are great points, they really are. There's another thing I said I would deal with. Look, the market value? You know what, you're right. So what we'll do. I'll talk to Tom and talk to the team, I just have to make sure we go back and get all the permissions we need to do this. So before we actually start the 90-120 day process, we'll make sure that you have access to the market value. You are absolutely right. You should have that so that it's part of this process. Now just in fairness to staff, I did look at the paperwork and it suggested it could be done before we get to the end of the evaluation. But your points are absolutely valid. We look at this now and say it should have been done for tonight and we will absolutely try to make that right before we get rolling. Thank you for the feedback. This is good. Like I said, we admitted upfront this is our first time through it. So we're working though it and you're going to help us clearly learn, ok?

Deputy Mayor: Well you obviously want to hear from me as Brad is speaking, we know that I've had conversations and we know we've met with the Lake Loon-Cherry Brook Development Association and Keith Colwell. We all agree that up until now, it's been done very poorly and I came here tonight very much wanting to support the Lake Loon-Cherry Brook Development Association to form a business case that will bring this building back to the community of Lake Loon-Cherry Brook. Now when it comes to Council, the bureaucrats as they call themselves have to formulate their recommendations to Council. We as body follow the policy that the municipality has put in place. This is one of them, Administrative Order 50. It's the way to do things in trying to be in an accountable, fair way. In that regard, when I so longingly, can't wait to see the business case to make this building back yours as it always was. I mean I stood in that building with a hazmat suit myself. And it hurt me to see this building what it meant to the community, I saw the stage and I could just imagine the children that had been performing on that stage. And I said, that can be, it is viable. And Benji moved back here from Toronto and he said, nothing has changed and to see the passion that he wanted to bring to all of you, is something that I wanted to help him with. So when that comes to Council and I receive this business case and what you are going to present to us and what I can stand up in Council and say, this is what the community wants. I will do my utmost to make that happen and if it's less than market value or a dollar, whatever the recommendation is that what I am going to fight for. So I really want to hear each and every one of you, what I mean is I know a lot of you in this room. Some might not I'm here as often as I am. But it is a two-way street as far as communication goes. Some of you are on my Facebook page, so feel free to contact me and message me. So in that regard, I'm here to work with you. I want to hear the creative solutions that you have to bring back that one room school house that it was. I come from a rural area in, — well many rural areas for lack of knowing what to call it. But I come from a rural area myself and I know what these buildings, however big they are or however small they are, they are the essence of the social connections for the community. And I know after the sign was put there that day that we all gathered around that sign I saw somehow everyone lingered around that sign. Everyone wants a place where they can feel a sense of belonging and I feel at that critical crossroads between Lake Loon and Cherry Brook is the perfect place to do it. So let's see about how we can make this happen and go on from there. Thank you.

Community Member Q15: I just had an observation and it's based on the evaluation that was done back in December, 2014. Now as everyone knows that when you put forth a business case, part of that business case is going to be the financial obligations that are held by any group that is looking to restore

buildings or to restore properties. Now the Lake Loon-Cherry Brook Community Development Association, we don't have that much money. Now mind you in putting in forth a business case, we would do proposals like every group does to try to get other groups and organizations to invest in our community. And that's understandable however getting back to the December 2014 evaluation that was done, that HRM had paid to get done by an engineering company, it stated in that report that there was an account that was held by HRM in trust to the community. The account number was CBR00069. Now there originally was \$170,000 in that account. It's since had some money taken out for it looks like some kind of repairs which were not noted in this report because they said something about the fact that their accounting system made a change from that time to this and they couldn't really find out where that money went to which doesn't really sit well with me. However, late last year when we started this process and this whole bid to acquire our community centre back and to develop it for the community, HRM insists distinctly in the report here, that HRM took that money out of that account and put it into a general capital surplus reserve, ok? So they moved it and here's what they based in on. They based it on the fact that they said there was no movement on the account. Now everybody knows that in terms of HRM and the community there is a real mistrust, ok? We know that because over the years we had other Councillors, I'm not going to mention any names but he knows who he is, that really didn't have our community interest at hand and did a lot of things to really destroy that relationship between our community and HRM. Now, I know for a fact that this money that was in this account for the community was never really brought forward to the community although the community had many consultations with HRM concerning the community, the community centre and it only came out in this report and I don't even know if they really intended it to be in the report but it was put in the report. So I guess I'm going to get to the point. Currently, there is \$134,826 dollars that was taken out of the Cherry Brook account held in trust by HRM and put in the general account. In terms of financing, I don't know it would probably take an act of God to move that back to our account. However, my problem is this. That money should have remained in that account ok, because in this point in the game, we could have used that money to get a running start on the restoration of our building ok? And we could have shown in our proposal that we were prepared to \$134,000 into our community centre right off the top. Because if another organization puts in a proposal to HRM, a non-profit group and they show that they have financial viability here that we don't have, it's going to be kind of tricky for us, ok? Now I trust that we're all above board on this, but again that \$134,000 and believe me our president has talked about this many times before—months, months and months before and HRM wouldn't budge on it. They just ignored it. So I'm going to remember this, it's in this report here and that \$134,000 is going to come back to our community because if nothing else it's going to give us our start on the restoration of that building, ok? And I'm going to hold them accountable for this because first of all, I don't know what gave them the right to even do that.

HRM Staff: So I can tell you that when I read that report, I did some digging on my own from a financial perspective and what I discovered, obviously I've only been with the municipality for 2 or 3 years, so what I was able to see is the original budget was there for \$170,000. The intent was minor repairs and work to the roof. The \$35,000 went to several minor repairs; I couldn't tell you what they were. What they did in May, 2014 when they did the facility condition assessment and it came back the recommendations say there's a lot of, you know the estimated repairs to bring it back is \$600,000. When staff brought that report forward they said ok, the condition report confirmed the roof work never got done for the \$130,000. As part as capital projects, I know from the accounting side, it's a regular process every year that they review all capital projects and look at what projects were finished, if there was anything left over in the budget, it goes to that general account. If there's a change in direction and there's something that's no longer valid or they are going to take a different scope on the project they'll kind of put a stop on it, they might return the money to the general account to set up a new Council directed project in a different direction. So in that report, the December 9, 2014 Council report actually had the recommendations to say here are the results from the condition assessment that came from the consultant. They recommended that it's going to take over \$600,000 and really should demolish the building. So what the accounting side did was they said ok, the \$135,000 is no longer valid because it's going to take a lot more money. Let's close out that account and take to Council the recommendation to demolish the building and set up a new project. That's purely from an accounting point of view what happened.

Community Member: Is that money still there for us?

HRM Staff: From an accounting point of view it's gone because it was redirected into another project and the demolition obviously and never got approval to go forward. But you would be very free in an application to make that point to put in your application and say you know this money was originally purposed for the building. You know, this is part of our application. You'd be very welcome to do that.

Community Member: Can you tell us which project the money went to?

HRM Staff: No. The general account for money that's left over from capital projects usually is a bit of money that goes forward to the next year's list of capital projects that Council approves. So it probably got spread over a dozen accounts.

Community Member Q16: When they make these decisions and I understand exactly what you're saying, they made that assessment that it would cost more to repair it than to demolish it. Why is it that they don't then come and talk to the community? You know they just decided this is what it will be and so they put the money back in the general account and just move on. Is there any policy around that kind of stuff?

HRM Staff: Well that was report in December, 2014 did indicate that one of the recommendations was to go back and consult with the community. The recommendation was to demolish the building and turn it into park land but Council did recognize that the community should be consulted and that was part of the recommendation. That's why they put the demolition on hold and said please go consult with the community.

Community Member: The came up with the wrecking tractors, we put a stop to that. And that's what I don't understand, you're saying these things and I understand exactly what you're saying but we would not be here if HRM had communicated with us in a timely fashion instead of making decisions for us because we did have a stake in this property. We live in the community, we were under the impression that we were all on the same page. Obviously we were not and so that's why we're sitting here today. And that's why I say and I reiterate, there needs to be a stay on this, policy or not and negotiations with our community. Because we have thoughts, we have ideas and what you are saying to us is, "Well that's fine but go through our process anyway". I don't think that we deserve that. We really don't. You know, you've not been upfront with us all along and we deserve better treatment than what we're getting. I understand everybody has policies and procedures and everything. But these are guidelines and not the Bible. And think at some point, you guys have got to stop and say, "Hey, we owe that community the respect of at least sitting down and talking about how do I resolve this matter".

Community Member: Just two points Crystal and then I'll sit down. Number one is: That money was removed from our account into a general operating account way prior to us sitting down and negotiating about our community centre. Ok so in terms of the assessment, the assessment wasn't even talked about or negotiated about prior to that money being transferred. That's the first thing, ok? The other point is that, is it possible for our community to use that \$134,000 as an asset in our proposal for the bid.

HRM Staff: Like I mentioned earlier, whatever you put forward in your application, you're free to do that. I don't want to tell you what to put in your application. I'm saying you're free to do that. From our point of view, the only thing that we can do is what Council approves so any expenditures from a capital project point of view, grants anything like that, we're directed by what Council approves. So if it's in your application, staff will do their evaluation on the four points but then it goes to Council and they if you look in Administrative Order 50, have their other piece of criteria that they look at which is a broader sense of benefit to the community. And if they approve the recommendation as is then that would be included.

Community Member: Just keep in mind that during the process of doing our proposal we're going to be looking at that. However, we do not want to put anything in the proposal that is not accurate. Therefore we are going to be looking for a commitment from HRM for that. Because again as I stated before, we have to show some kind of financial viability in our community and a couple thousand dollars that we

have in our account is not enough to show that to any board or anyone that looks over our proposal and says, "Well how are these people going to do this?" Well you know what, guess what? If we show we got \$3,000 in there, that's not showing that we have the resources to actually start to do all of this. Then we got to depend on HRM to negotiate with that process and God knows, they probably won't help us out. So I guess what I'm saying in regards to the funds in the account is we're going to be looking at that when we're doing our proposal and we're going to be looking for HRM to come up with that money.

Community Member Q17: I have a few questions. On the staff evaluation guidelines, the four points that you had listed there. Can you just elaborate a little bit on the Benefits to the Municipality? That's my first question. Second question: If you deem our community rec centre as being unsafe, why would you put a so called playground next to it? Number 3: This is the first time Administrative Order 50 is being used. Why did you choose our community?

Presenter 2: I can speak to the Benefits to the Municipality. As I mentioned earlier, it's really not about quantity, it's about quality of services activities, programs, that obviously what I've heard this evening, there's a gap in this community in terms of what you'd like to offer to your community in terms of places to gather, to celebrate, to offer programs, to offer services to the youth, to seniors, etc. That's the type of information that should be provided. But nobody knows what better for their community than then people that live there. So that's what the Benefits to the Municipality is an that's why we put a higher rank in that category versus compensation. So as Mr. Anguish said earlier, you can submit a proposal and we have sold properties before for a dollar looking at the greater benefit to the community versus the compensation the municipality would receive on the property.

Community Member: So you say benefit to the community, so why isn't that reworded 'Benefit to the Community' opposed to 'Benefit to the Municipality'?

Presenter 2: That's a good question. I think perhaps because this process will be used for communities across the municipality, not just this community. And I can't answer the second question in relation to the playground, I'm sorry I can't answer that, 'why the playground was placed there'? I don't have that answer. The third question, we did have a list of properties that came through at the same time through the Community Interest category. So there's a few. There's one in Spryfield, one I believe in Sheet Harbour and Tom mentioned another one Brookfield School, I believe. So we actually intentionally moved this one ahead of the queue.

Community Member: Because you're using us as guinea pigs.

HRM Staff: No, not at all. We anticipated...

Community Member: Why not in Spryfield? Or why not use the other one that was listed?

HRM Staff: Well, I'm being sincere, that's all I can say.

Community Member: Good excuse.

HRM Staff: I made the decision to move this to the top of the queue and I made that decision because based on my discussion with other staff it was considered to be extremely important that this community go on with this process as quickly as it could. There are other groups that wanted to be first, but we believed that it's important to deal with this one.

Community Member: Excuse me, you just said that you discussed it with staff? You didn't discuss it with the community of Cherry Brook.

HRM Staff: I know other staff have been in discussion with communities, but it is our decision and it is our responsibility to decide on the order.

Community Member: You haven't even worked the bugs out of it.

HRM Staff: Actually this process the admin. order is new it's true but it's extremely similar to what was used for St. Pat's Alexandra, very, very close. And it really follows what's in the legislation.

Community Member: As far as the other two properties that they're referring to, was it Porter's Lake and the other property. What process was used for that and did they have to go through non-profit organization.

HRM Staff: You're talking about which particular ones? [Hammonds Plains & Porter's Lake]

HRM Staff: The simple answer is, those processes transfers pre-dated the Administrative Order before Council set in place a governed process for the transfers.

Community Member: Administrative Order 50 came out in 2013. Porter's Lake...

HRM Staff: Porter's Lake did sell before. The Councillor has a question?

Deputy Mayor: I just wanted to know if there are score values for those criteria.

Presenter 2: Yes there is. It's in all the documents that we circulated tonight the score value so Benefit to the Municipality would be 30, Viability is 50....

HRM Staff: For those who picked up the paperwork, what Peter's walking through, it's called Staff Evaluation Guidelines. In there you'll find a table and it shows you the scoring in each category.

Community Member Q18: For those who don't know me, my name is Marsha Sparks and I work on behalf of the Development Association as a Secretary for the community. I've been attended quite a few meetings for HRM and we've had discussions prior to this dollar deal in regards to our community centre. In particular, it's been brought up several times tonight, the playground. Prior to this going before Council, we were promised in the spring that the playground was to be removed from its location to a different location that would be safer to our children. Now what caught me by surprise this evening as I was reading the paperwork, it's called Community Interest Property Surplus Disposals. I have question and can you guys answer some questions for us? You have one in regards to the playground that if someone wins a proposal, it is their choice whether they are to remove the playground or keep it where it is or to relocate it. To me, for us having plans to move that to a better location, something that we asked for as a community, to be dropped as switched in a situation like that seems fishy to me. The fact that you guys are saying to us that someone can come in and win this proposal and take our playground and move it to another location, I want to know for security purposes and I'm sure a lot of people want to know this too. 220 Lake Loon Road includes our community centre. What is involved in the proposal process as far as 220 Lake Loon Road, our building? Are they allowed to do the same thing? Tear our building down, relocate it, whatever they want to do with it as same with our playground? It's the only playground we have in our community and you're telling me on a piece of paper that someone can relocate our playground to a different location? I would like that answer.

HRM Staff: It's a terrible answer but it's really all subject to the submission and Council's approval. So what I'm trying to say is there may be elements. Let's say that there's a wonderful vision and a sustainable plan to take care of the building, but whatever that group may be recommending the playground is just not safe or we know to be unacceptable for recreation standards or anything like that. That place would be given through this process to Council.

Community Member: So you answered that for the playground but I'm asking about the building as well. So if someone gives you a proposal that tells you they want to tear our building down and build a corner store for our community. Is that possible? The history of this building was supposed to be and we understood, the reason why we advised our community to take this dollar deal was because the

community centre was supposed to stay put, not be torn down. That's the whole purpose why we're fighting for this. The President and our executive team told our community that the building was to stay put. And you're telling me that the playground can be shifted so are you telling me the building can be shifted too? The building can be torn down? I want to know that.

HRM Staff: So the process is open to the community to submit whatever they please. That's first and foremost. Our understanding is that the Lake Loon- Cherry Brook Development Association for sure does not want to do that, unless I'm wrong.

Community Member: But this process is not guaranteed to us. Some Joe Blo sitting back there could have a better proposal to us and could make you guys, a bunch of money and say ok we're going to give the proposal to so and so and in their proposal it consists of tearing that building down. I want to know from you is it yes or no. Can the building be torn down from another proposal being accepted? A yes or no; I don't want to beat around the bush. This community deserves this, a yes or no.

HRM Staff: Yes.

Community Member: Ok, that's all I wanted to know. I was told the building would stay put and that's why I stamped my name on this. Now you're telling me that somebody else could come up in here and bring a proposal and tear our building down?

HRM Staff: You've asked me to answer your question. I'll answer it. Council makes that decision. The Councilor who represents your community is here this evening. She knows beyond a shadow of a doubt what your passion is and what you desire is. And unless I am mistaken, Councilor Nicoll will represent that to Council no matter what. So that's the value of the public information session. So I just want to be clear. So I think the other piece is.....sorry please we're trying. We're learning what we can do better and what we will do better the next time. I don't think we mentioned earlier there's a public hearing process that this goes through, so that's a cross-check and that's a cross-check for the community. So what happens here is that business cases come in, staff looks at it, they give their recommendations to Council. Council can accept it, change it, whatever they do. But once they move forward, then there's a public hearing process because the assumption here is that it will be below market so the process requires a public hearing. That's the cross-check for the community of Cherry Brook. If there's anything in that process, that will be the chance to come out and represent on that. I want to go back to the original answer; I mean you asked me for an honest answer. The likelihood of this is extremely low and I also want to be very clear that the reason we're in this, the reason the Council wanted to do this was to put the building back in the hands of the community. So that is the purpose.

Community Member: How long is the process?

HRM Staff: Ok so the Administrative Order says that any community groups would have 90-120 days to submit their application. We were thinking with this one we would do 120 days just with the timing, we want to give to people enough opportunity to put it together, and of course, there's Christmas in-between. Once the applications are received, staff does their evaluation. Being reasonable there would probably be a 4-5 week phase and it will go to Council. Council usually takes 3 weeks to process reports. So it would probably be the end of February by the time it gets to Council and they have seen it, review the report and looks through their list of criteria. Then the next time it comes to Council, there would be the public hearing at that Council meeting. We need to advertise it for 14 days so we probably would skip a couple of Council meetings so by the time the public hearing goes with the Call for Submissions in the next week or so, I think it works out to April. It's a long process unfortunately.

Community Member: I had the same question as Marsha pretty much and it really hurts me to get the answer that she's gotten, that we all have gotten. Our situation is not the same as St. Pat's A. because at St. Pat's when they didn't get the building but at least they still had the George Dixon Centre and they still had the YMCA. We don't have anything. We got a school Graham Creighton that we can't access, the Humber Park we can't access, so what are we left with? Nothing. So I feel bad for Benji here tonight

because he's been lied to and his feelings are hurt so I'm not going to take up anymore time. That's all I had to say. Go ahead, Brother.

Community Member: First I want to say, HRM we've been humiliated once again but for the last time. This is simply to Brad; we sat in Keith Colwell's office. This offer is on the table because of us in the first place. The thing that (excuse my French) pissed me off the most is that for you to actually say that somebody can come in and say that they can tear our building down and build something else that they want to and do exactly what you guys have been proposing for years is an insult. The job is not on us to prove anything to you guys, the job is on you to prove something to us. And I think where we are right now is that we've got to take this to the lawyers and still down around the table again and you guys need to come up with something better than this because this isn't guaranteed and it doesn't look like you want this to go to the community or the process wouldn't be this complicated. So I say we sit down with a lawyer because right now just the process that's proposed is going through sometime in April. We know that the building in the state that it's in right now is time sensitive. The building doesn't have until April so what are we fighting for, for nothing, for a foundation. You guys need to pick up the pace and do something because enough is enough. We've gone through this stuff for nothing, not just the two years I've been running but for years and years. And I'm not going to be the one to sit back and say well we'll go through your process. No. You guys have to figure something to speed it up and come back to us very, very soon.

Community Member: I'd just like to say that I moved back to the Community and one of the reasons I moved back is because I had kids. And another reason is I wanted my kids to grow up in the community. I don't want to take my kids outside the community for recreation, for doctors, for any kind of thing that's going on. I think that it's very important that we look at other communities that have community centres. Because we are quiet, we've gotten walked over and I think that we need to stand up for our rights in this community.

Community Member Q19: Excuse me I have something to say for the people in regards to the community centre. I listened at this lady here who said she's been with HRM for 2 years or so. If you look back in your records and all your papers, when they did the assessment of that community centre years ago before 2014, the power at HRM Peter Townsend, their words were they were not going to put money in that old centre. And that's why they come to the conclusion to have the conceptual drawing made up for a new centre. So why would you back then, turn around in 2014 and take money out of the coffer and get another assessment done? And this is years, sure the building got to be worse. Why would you take that money that belonged to the Community Development Association and say we did another assessment. That's not accessible, that is sad. In my books, that is theft. You have stole from us because that money could have been still in our coffer or use. So what's the excuse that you had to do two assessments on one building? Can't answer that, I know you can't.

HRM Staff: Well on that point you are educating me. I didn't realize there was...

Community Member: That's why there's paper trails and there is no governmental department that don't hold on to that kind of important papers. You can fool people sometime but you can't fool them all the time. So you guys better get your act together because we're not accepting all these stories. And that's just what it is, stories. To have two assessments done on a building, you said you weren't putting no money into that old building and you say you paid money out for this and that before they came and did the assessment. Money was spent out for the cracks in the basement. And I think there's people here that know that's what happened. They put \$10,000 to fix cracks in the basement. So I think you better go back and do your homework and not bring this garbage to us because you guys are comfortable in your own communities. You're children got.... you go over there in Cole Harbour they've got beautiful playgrounds. What are our children got here? We've got young people coming with their children. They haven't even got a sandbox. Like I said, you're not dealing with stupid people.

Community Member: I'm here because I'm concerned about the whole Preston area and the school here. My question is: Why couldn't the municipality look at alternative means the community has to retain their

school? I'm wondering why didn't they declare this as a historical property? Because this community, we have a long history going back over 300 years. I don't see why it couldn't be declared as a historical property. And the other thing about it, the governments: federal, provincial, municipal has been promoting multiculturalism. They're protecting everybody to come to the country and we've been here all along. Some came as Empire Loyalists. Some of us were found and people came from Europe and everywhere else and they came here and got all the land grants and that land was given to us was never properly given to us because they take it back. Every time you look they take it back. You go to Hammond Plains it's now Timberlea. You go to Cobequid Road, it's now Sackville. You go to Halifax, Africville is gone; its a container shipyard. You go to East Preston, it started down by Porter's Lake and now its up on Bell Street. Now moving towards North Preston they're taking steps moving the sign from where the community boundary began and moving it up the hill and there's a new development going on. Cherry Brook where the school was, we see homes being developed. How long are we going to be treated while we have these carpetbaggers coming in? Politicians coming in, making decisions, taking power away from the people that live here and we are treated like nothing. I am somewhat disturbed about that and sick of it. When are we going to be treated as real Canadian citizens? We're never being treated properly. Our parents, we've got people who fought in the World War. First World War, Second World War and yet we have never been treated as proper citizens. If you can protect the multi-cultural people that come here, protect us. We have helped to build this country and we are not being treated right. Now the other thing I am concerned about is, don't you realize if you sell that piece of property, this is not just talking about an old building? You're talking about the life of a community. Life of the community. If you sell that property, it don't matter who it is, you're taking away the life of a community. And we might end up being Africville all over again and we don't want that. When are they going to start treating us as proper citizens? We pay taxes but yet we're paying for things that we don't even have in our community. When I look at my tax bill, I'm paying for sidewalks that I don't even see, and I'm concerned. And this other thing, storm water. I don't think that we're responsible for that because God created the hills and the water got to run down. And this is what happens; we're paying for a thing that's nature. Next we are going to pay for the sun rays. The people that are cheering for me are telling you that they've been neglected too long. Too long they've been neglected and they need to see some action, not just people coming out and promising words. You can't treat this community in the same manner. You're talking about preserving a culture and if you put us in the category of Extraordinary, you can't treat people who have never been given the proper opportunity to come forward with \$600,000 for a building that's considered to be not worth saving? You got to treat us as a cultural being; you're talking about destroying a culture. Save our culture.

Facilitator: Do we have anymore comments?

Community Member Q20: Mine is short. I just wanted to say that I came to this meeting to learn something and to see where our next step would have to be, in order for us to get what we need. But what I've seen this evening is, and I don't want to put a damper on anything, is that we've come here in good faith. We've asked questions. We see that you had the grace or the decency to send people who can answer most of the questions that we asked. Then we talked about the community being informed. And we know that the community wasn't informed, things were being done behind our back. Does the city really care? You know I have to ask the question, does the city really care? I hope that the people who came here tonight from the city really got a message from our community because we seem to be overlooked and I only want to comment on one thing that the brother before me said about the sidewalks. I live on Montague Road. The sidewalks stop at the sign that says Lake Loon Road. I paid for sidewalks but I called about my taxes and said when you bring the sidewalks up to my house, then I'll pay for sidewalks but before that, I'm not paying for them because I don't get the sidewalks. They talk about recreation and then they talk about Cole Harbour Place and all these things. I live in Cherry Brook Community and that's where I want my grandchildren to be able to go to a community centre and have activities and we need medical so the seniors who are there, can go to the community centre because a lot of them wouldn't have the opportunity to get down to Dartmouth. Why can't we have those things in our community, the access for seniors and for young people, daycare. I was one of those committee at one point when they were doing the drawing for the proposed community centre that we were supposed to have and those were the things that we were suggesting, that we needed in our centre. So what

happened to all that? I would really like to know. I mean I sit and listen a lot but these are things that people from the city who came here tonight need to know. We were working on the things and we had faith that the city was going to do something but as far as I'm concerned I'm not getting any younger and I haven't seen a thing that the city has done yet. That building has been there in disrepair —we made good use of the building when we had it. We did. The church was in disrepair, we had to do renovations, we used it for that. People got married, the young people had youth group and we did all kinds of things there. We had things going on in our community but without a community centre. Every community needs one. So I'm just hoping that you're listening to what we're saying and that you're going to take it back. And I hope that when it comes to the hearing when it goes to Council that people there will not be working against us but with us in force.

Facilitator: Do we have anymore comments? We're winding it up.

Community Member Q22: I am one of the many people in this room who started elementary school in Lake Loon School until they closed it out and it went to Humber Park School and William Ross. But I know it's often toted that the process for this kind of decision is objective and arm's length, in terms of looking at the proposals and using a criteria that's supposed to be fair to all. But we all know in reality that when decisions of this magnitude are made by Council or any other kind of decision making people, that the briefing that the decision makers receive from staff and from Council member who sat as part of the public meeting process have great sway, great sway. And so my question is really, when the door's closed, when the in-camera sessions happen, when everybody else is not here, my question to everyone is, What will be the timbre of the debrief? What will you communicate? What will you say of the things that can not be articulated on a proposal because it's the emotional attachment in the history and the psychological presence that this place has in the lives and hearts and spirit of everyone in this room and beyond, not just Lake Loon? You heard Mr. Johnson from North Preston, I was so happy to hear you. Here to come support us because we've always been a very strong, 'the Preston's'; Lake Loon, Cherry Brook, East Preston, North Preston. It has such reverence to us. Next to our church, the only things we ever really owned were our schools. That's all we had, church and school. You can go over every church in this province and very few places; I think Lakeville has a little school that's used as a centre, and also New Glasgow and a place in Digby, Inglewood. There's very few left. So my question is, what will be said by each of you who are staff and Councillors, how will you capture the emotional context of what is said here today to communicate because it's a bigger group than what is here tonight that will make that decision. And so I implore you, I ask you and I invite you to respond. But I implore to really capture the essence of the spirit of what was graciously and candidly given by everybody here tonight. And I know that you all here have repeated over and over again that you are trying to actually fast track the process by putting Lake Loon at the top of the list and wanting to create a situation where the building can go back into the hands of the community and I think I get that. I think everybody here gets that. And I know what you're hearing mostly tonight is the result of decades and decades of mistrust and frustration. So I don't think that people here personally want to attack each of you. You guys come here with a legacy of being HRM employees who have to unfortunately carry the burden of your predecessors. But don't let the very bloody, beat up that you got tonight make you say the wrong things to the right people at the right time. We hope that you will certainly be on our side to communicate something that can't be put in a proposal. This is where we are really depending on you as decent, honest, fair-minded representatives to plead our case because we won't be in that room. We will do the best proposal possible but in the end as I said you all have sway. So I implore you and I leave that on your heart.

HRM Staff: I just want to respond to that. We were going to wrap up but we don't have to because you did it so eloquently and what we'll take back, that part, that thing you can't put into words, you've done that. And I notice that Natalie was keeping track of notes of what everybody said tonight and the one thing that stuck with me the most was this little heart. So yes you're message came across and we'll take it back.

Facilitator: Ok I just want to, I think I just jumped into it and I didn't introduce myself and most of you know me, my name is Natalie Perkins. I'm a Community Developer and I was working with the team trying to organize a time that the community could come to voice their opinion to have a voice. In this whole process, I worked really hard on making sure that you got notification of this meeting and I thought it was

very important that you have a voice. So I just want to thank you very much for coming tonight. Thank you for all of your opinions. Thank you for all of your statements and questions. Thank you for coming. That's about it. So can we talk about next steps?

HRM Staff: So next step is we are going to do some minutes and try to capture some of what was said. We'll try to capture what happened tonight—questions, feedback from what we recorded, get it up on the website. Same with the other stuff, we have the information that's up there. The next step in the process is the Call for Submissions to be posted to invite the applications for the submissions to go forward. So in two weeks roughly proper submissions can get posted and you guys can get notified maybe Natalie can help out with spreading the message and then we'll go from there.

Facilitator: Thank you very much for coming out tonight. Greatly appreciate it.

ADJOURNMENT

The meeting was adjourned at 9:14.

K. M. Francis
Clerk

**Administrative Order 50 – Disposal of Surplus Real Property
Community Interest Category**

CALL FOR SUBMISSIONS

**PID#00624486, 220 Lake Loon Road, Cherry Brook, Nova Scotia
Portion of PID#00624155, 266 Cherry Brook Road, Cherry Brook, Nova
Scotia**

Closing February 18, 2016, end of business day at 4:30pm, local time

Halifax Regional Municipality
Grants & Contributions, Finance & ICT
2nd Floor Customer Service Centre, Alderney Gate
40 Alderney Drive, Dartmouth
Nova Scotia, Canada B2Y 2N5

CONTENT

A. Background

1. Administrative Order 50
2. Reports to Regional Council
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B. Call for Submissions

1. Property Identification
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3. Request for Site Visit
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7. Evaluation Process
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D. Other Relevant Information

1. Site Visit
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3. HRM's Terms and Conditions of Sale
4. Closing Sale Process
5. Recovery of HRM Costs
6. Buy-Back Agreement
7. Access to Information and Privacy

E. Submission Evaluation Scoring Guidelines

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A. BACKGROUND

1. ADMINISTRATIVE ORDER 50

Property no longer required by the Halifax Regional Municipality (HRM) may be declared surplus by Regional Council and disposed of in accordance with HRM Administrative Order 50. A copy of this policy is available at:
<http://www.halifax.ca/legislation/adminorders/documents/AO50.pdf>.

Regional Council must approve the surplus status of the property and the category of disposal. Council can direct the disposal under the Community Interest category when there is a potential for community use based on previous use of the property, location, or scarcity of available property. By directing a sale through the Community Interest category HRM can sell, but is not obliged to sell, the property at less than market value to a non-profit organization. If there are no submissions, or none accepted by Council, the property may be disposed at market value as directed by Council.

2. REPORTS TO REGIONAL COUNCIL

Meetings of Regional Council and Grants Committee are open to the general public with agenda and meeting schedules posted on the HRM web site at <http://www.halifax.ca/boardscom/bccgrants/agenda.php> and <http://www.halifax.ca/council/agendasc/cagenda.php>. Staff reports will not be released or discussed prior to being available at Regional Council or a Committee of Council.

3. PUBLIC HEARING

If Regional Council decides to consider a disposal to a non-profit submission at less than appraised market value, and the property is worth more than \$10,000, then Section 63(3) of the HRM Charter requires that Council first hold a public hearing.

The notice for a public hearing shall be issued at least twice in a newspaper circulating in the Municipality, the first notice to appear at least fourteen (14) days before the hearing. The notice of the public hearing shall include:

- The date, time, and place of the public hearing before Regional Council;
- Location of the subject property (civic address and/or property identification number);
- The estimated value of the property (appraised market value);
- The purpose of the sale.

**Community Interest Property Disposals
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Any member of the public can participate in the public hearing and speak for or against a recommendation or make a written submission through the Office of the Municipal Clerk.

After the public hearing, a vote to sell at less than market value must be approved by a two-thirds majority of Council present and voting.

B. CALL FOR SUBMISSIONS

1. PROPERTY IDENTIFICATION

The Halifax Regional Municipality (HRM) invites applications from non-profit organizations to acquire:

**PID#00624486, 220 Lake Loon Road, Cherry Brook, Nova Scotia; and
Portion of PID#00624155, 266 Cherry Brook Road, Cherry Brook, Nova Scotia** (*if required to be subdivided for support services, such as a septic field and parking, to meet current regulations for operating a building on PID#00624486*)

The subject property has been deemed surplus to HRM's requirements. Regional Council, under Administrative Order 50, has approved disposal through an offering to a non-profit organization under the policy's Community Interest category ([Regional Council meeting April 28, 2015, Item 11.1.8](#)).

An HRM owned and maintained playground currently resides on **PID#00624486**. Applicants should include in their submission whether their intention is to arrange with HRM to maintain the playground's location, or to have it moved.

2. OFFICAL CONTACT

For the Purpose of this Call for Submissions inquiries must be directed to the following:

- Crystal Nowlan, Sr. Financial Consultant, Financial Policy & Planning at nowlanc@halifax.ca

3. REQUEST FOR SITE VISIT

For all Applicants interested in arranging for a site visit, they are asked to contact staff indicated above by:

November 12, 2015

Staff will then coordinate a group meeting to visit the site.

4. ASSESSED VALUE

An independent appraisal by an accredited real property appraiser will determine the “as is” and as currently zoned appraised market value for **PID#00624486**, 220 Lake Loon Road, Cherry Brook, Nova Scotia and a portion of **PID#00624155**, 266 Cherry Brook Road, Cherry Brook, Nova Scotia, Nova Scotia. Per #5 of Administrative Order 50, property appraisals “will remain confidential until the sale is completed”.

The current assessed values of the municipally-owned properties are:

PID#00624486 \$64,300 (2015 Commercial)

PID#00624155 \$26,500 (2015 Residential), \$10,600 (2015 Resources)

5. COST OF SALE RECOVERIES

As of the date of this official Call for Submissions the cost of sale to be potentially recovered from the Purchaser (further see D.5.Recovery of HRM Costs) are estimated to total \$9,000-\$14,000 and include the following:

- Appraisal \$3,000-\$5,000
- Survey \$5,000-\$7,500
- HRM Legal \$1,000-\$1,500, including:
 - Title Migration
 - Registration of Documents
 -

Prior to the closing of any sale transaction, the Purchaser shall be provided with an itemized invoice for closing costs.

6. SITE MAP AND PHOTOGRAPH

**Community Interest Property Disposals
Call for Submissions**



C. GENERAL INSTRUCTIONS

1. APPLICATION DEADLINE

Written submissions will be accepted until the end of business day 4:30pm local time on the date stated in **Section B** of this document, “Call for Submissions”. Non-profit organizations have a minimum of 90 days, to a maximum of 120 days to submit a written proposal. Applications must either be date-stamped and initialed by a member of HRM staff, post-marked by Canada Post Corporation, or delivered by commercial courier with the time of delivery verified. Submissions will not be accepted by email. Submissions without proof of date and time of application, or late applications, will not be considered.

Applications, as well as a suggested template for the 5-Year Business Plan, can be found at <http://www.halifax.ca/SurplusProperties/communityinterest/>.

2. ELIGIBILITY

All Applicants must be a non-profit organization as of the date of application (on or before the application deadline stated in the formal Call for Submissions). A non-profit organization includes the following forms:

- A society pursuant to the Societies Act (1989);

**Community Interest Property Disposals
Call for Submissions**

- A non-profit association pursuant to the Co-operative Associations Act (1989);
- A non-profit corporation pursuant to the Canada Not-for-profit Corporations Act (2009);
- A registered charity pursuant to the Income Tax Act (Canada);
- A non-profit organization pursuant to an Act of the Nova Scotia Legislature.

For clarification, the federal, provincial or municipal government, their agents, boards or commissions are not recognized as a non-profit¹. Joint submissions from partnerships between non-profit and for-profit organizations or non-profit and government organizations cannot be accepted under the Community Interest category process.

Applicants shall be in good standing with the Municipality with respect to overdue accounts (tax, rent, fees and fines), compliance with any contractual agreement with the Municipality (grant, contribution, lease, sale, or service agreement), and Municipal by-laws and regulations.

3. UNSOLICITED REQUESTS TO PURCHASE

Unsolicited expressions of interest, including from former or current tenants, will not be considered outside the formal Call for Submissions process. Any verbal or written communication with respect to the possible sale of the property shall be directed to the formal Community Interest category process as set out in Administrative Order 50.

The terms as set out in **Section B** of this document “Call for Submissions” shall be applied to all non-profit applicants.

4. APPLICANT’S EXPENSES

Applicants are responsible for expenses incurred in preparing, delivering or presenting a proposal and for any subsequent negotiations with HRM, whether or not Regional Council approves the submission presented for this application.

5. CURRENCY AND TAXES

Amounts are to be quoted in Canadian dollars, excluding deed transfer tax (1.5% of sale price), and HST where applicable.

¹ Non-Profit and For-Profit/Government Submissions: The federal and provincial government and their agencies are not considered a non-profit and are excluded from consideration under the Community Interest category. Legislation does not permit a less than market value sale to a private interest (individual/personal) or for-profit. Therefore, joint submissions are ineligible for consideration. Council could consider joint submissions after a decline of all offers under a Community Interest process and re-offer through an open market solicitation.

6. COMPLIANCE WITH LAWS

In the event that Regional Council approves the submission, the Applicant shall give all notices and obtain all licenses and permits required to perform any proposed work or process required. The Applicant shall comply with all laws applicable to completing any required work.

7. EVALUATION PROCESS

Applications will be reviewed on the basis of the materials provided using a standard scoring process. The more information provided by the applicant in its submission will better allow the evaluation team to understand the proposal and assist in providing better recommendations to Regional Council. Any subsequent written submission of documentation in support of a proposal shall not be considered unless expressly requested by the HRM evaluation team.

After a formal Call for Submissions has officially been issued, the applicant shall direct all questions regarding this Call for Submissions to the official contacts identified in **Section B**. Any attempt on the part of the Applicant or any of its employees, agents or representatives to contact any of the following persons with respect to this Call for Submissions may lead to disqualification:

- Any member of an evaluation team or any expert advisor to them;
- Any member of Council;
- Any member of HRM staff other than the official contact;
- Any member of the public who serves in a volunteer capacity on an agency, board, commission or committee convened by Council.

8. APPLICANT'S DUE DILIGENCE

The Applicant must satisfy themselves as to the exact nature and existing condition of the property and any necessary improvements required relative to the intended use. Costs incurred to achieve this level of satisfaction are the sole responsibility of the Applicant.

HRM may undertake environmental reports, building condition assessments, appraisals and further investigations. These documents will be provided to inform Applicants of the expected capital work, deferred maintenance and general condition of the subject property. HRM does not, however, guarantee any condition of the properties nor the accuracy of the information presented in the reports. The applicant is required to substantiate the findings for their submission and costing.

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Call for Submissions**

An opportunity to increase the terms of offer submitted will not be allowed under the Call for Submissions process. Staff will not negotiate content once the application is submitted.

The Applicant is responsible for confirming the property's tax and zoning status. The proposed Business Plan should be written with these in mind.

9. UNDERGROUND INFRASTRUCTURE

If successful, the Purchaser will be required to carry out any necessary relocation, construction or improvements to the underground infrastructure at their sole cost. Underground infrastructure refers to sanitary sewage systems, storm water drainage system, domestic water systems, all electrical and communications cabling, and other utility costs.

10. PERMITS AND APPROVALS

The Purchaser shall be responsible for obtaining all required approvals and permits prior to the start of any work on site. The process of obtaining Municipal approval(s) will be independent of the sale process; an Agreement of Purchase and Sale does not presume or imply the Municipality's approval of subsequent applications for permits, re-zoning, variances, or a development agreement.

11. SUBMISSION CONTENT

All Applicants are requested to submit the following:

- An Application with summarized terms of the offer to purchase.
- A 5-Year Business Plan, including:
 - Non-profit organization name and non-profit registration number;
 - The management structure of the organization including Board of Directors;
 - Description of scale and type of service and the organization's purpose;
 - Past experience and successes;
 - Description of Municipal benefit related to the activities proposed for the surplus property;
 - A clear statement of the terms the organization is offering for the purchase or lease of the property;
 - Proposed purchase price;
 - Amount of deposit, if any;
 - Closing date requested;
 - Any and all conditions required for fulfillment prior to closing;
 - Proposed terms for a Buy Back Agreement;

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- Projected Financial Plan (for the future five years' activities described in the Business Plan):
 - Assets & Liabilities/Debt;
 - Revenues & Expenditures;
 - Capital Expenditures Plan, with notes for context.
- Additional documentation to be included in the appendix:
 - Articles of incorporation for the non-profit, if applicable;
 - Financial Statements (include as many previous years as are available, up to three prior years):
 - Statement of Financial Position/Balance Sheet;
 - Statements of Operations/Income Statement;
 - Statements of Cash Flow, if available;
 - Supporting Notes to the Financial Statements, if available.

D. OTHER RELEVANT INFORMATION

1. SITE VISIT

A guided tour of the facility may be convened at a date, time and location determined by the Municipality. Notice of the site visit shall be posted on the HRM Grants & Contributions website.

2. EVALUATION PROCESS

All submissions will be reviewed by a cross-disciplinary staff evaluation team, led by the Grants & Contributions staff. All applications are evaluated by staff on four (4) priorities:

- Benefit to the Municipality;
- Viability;
- Compensation;
- Content Compliance.

A subsequent value against the weighting will be assigned for each category. By consensus, the team will determine the applicant with the highest score and provide recommendations to Regional Council for consideration of sale.

HRM may waive formalities or minor differences in requirements. If waived, they will be consistently applied to all applicants.

The *Staff Evaluation Guidelines - Community Interest Property Disposals* are posted at (www.halifax.ca/surplusproperties/communityinterest) for further understanding of the process.

**Community Interest Property Disposals
Call for Submissions**

Following recommendation from the staff evaluation team, Regional Council will also consider:

- the overall context of the disposal including the market value of the property as appraised,
- the Planning Strategy of the area and compliance with zoning regulation,
- the benefit of any cost saving to the Municipality,
- the consequences, beneficial or otherwise, to the community or the Municipality as a whole, and
- Council will weigh the beneficial consideration of any submission against the benefit to the Municipality of selling the property at market value, among other factors.

If Regional Council decides to continue the disposal process, a Public Hearing will then be advertised and held, as described in **Section A** “Public Hearing”, prior to any final approval of sale being made.

In the event that a Call for Submissions results in only one (1) applicant, the standard evaluation process shall be applied.

HRM may reject or accept any or all proposals.

3. HRM’s TERMS AND CONDITIONS OF SALE

Any restrictions on the sale, lease, or use of a property shall be determined by HRM in advance and these may affect appraised market value. The Purchaser may be required to maintain the property in accordance with these restrictions, including any “extraordinary” and heritage elements as identified within the Call for Submissions.

As per the process, HRM may elect to undertake environmental reports, building condition assessments, appraisals and further investigations; these documents should be provided to educate a Purchaser to the required capital work, deferred maintenance and general condition of the subject property. HRM however, does not guarantee any of the condition of the properties nor the information presented in the reports. The properties should be sold “as is” and “as zoned” and the purchaser should be made aware of this as well the purchaser, as part of their due diligence, should substantiate the findings for their submissions and costing.

Current property expenditures by HRM will be discontinued upon closing date of the property sale. Expenditures include, but are not limited to, building and liability insurance, future re-capitalization, holding costs including leasing, or any reduction in an operating grant (i.e. rent or utilities) provided by the Municipality.

4. CLOSING SALE PROCESS

**Community Interest Property Disposals
Call for Submissions**

For a successful applicant, the closing process on the sale of property is typically within sixty (60) days of receiving the required Municipal approvals for the transaction, including Regional Council's approval.

The purchase price, applicable taxes, and any of HRM's closing costs are due at closing. The property is to be sold "where is/as is" and as zoned.

5. RECOVERY OF HRM COSTS

The applicant should identify any Municipal costs associated with the disposal of the subject surplus property they are willing to reimburse in addition to the sale price, if Council approves their submission. Such costs **may** include, but are not limited to:

- Property appraisal.
- Building condition assessment.
- Plan of survey.
- Environmental testing.
- Advertising (notice, public hearing).
- External reviewer (if applicable).
- Deed registration.

6. BUY-BACK AGREEMENT

Subject to Regional Council approval, a property sale at less than market value may include a Buy-Back Agreement in addition to the Agreement of Purchase and Sale. A Buy-Back Agreement has an initial 25-year term followed by a review of Regional Council to consider continuation, amendment or release of the agreement. A Buy-Back Agreement may restrict an owner's ability to secure financing. Under such circumstances, application must be made to HRM for consent to encumber the asset.

7. ACCESS TO INFORMATION AND PRIVACY

Applicants are advised that any records created by the Municipality can be requested under Freedom of Information and Privacy legislation. Applicants will be notified by HRM should such a request be received related to their application.

**Community Interest Property Disposals
Call for Submissions**

E. SUBMISSION EVALUATION SCORING GUIDELINES

Administrative Order 50 includes four priorities to be scored: (1) Benefit to the Municipality, (2) Viability, (3) Compensation, and (4) Content Compliance.

| Evaluation Priorities | Intended Outcome | Screening Criteria | Application Submission Content | Weighting Score |
|------------------------------------|---|---|---|------------------------|
| Benefit to the Municipality | Maximizing Public Benefit | Charter s. 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 | Municipal benefit explained. Scale and type of program or service. | 30 |
| Viability | Probability of Acquisition and Operational Success | Evaluation of default risk. Test of assumptions, claims, and projections. Analysis of revenue and expenditure projections. | Past experiences and successes. Financial Statements, with supporting Notes. Projected Financial Plan for 5-year Business Plan. | 50 |
| Compensation | Terms of Offer | Maximizing revenue from sale. | Compensation in relation to appraised market value. Any cost savings to HRM. | 15 |
| Content Compliance | Sufficient Information | Ability to demonstrate sound organizational | Application and 5-year Business | 5 |

**Community Interest Property Disposals
Call for Submissions**

| | | | | |
|----------|---------------------------|--|--------------------------------|--|
| e | for Evaluation | stability, capacity, and reliability. | Plan, including appendices. | |
|----------|---------------------------|--|--------------------------------|--|

F. SUPPLEMENTARY INFORMATION

The following additional materials are available:

- Municipal Land-Use By-law:
 - North & East Preston, Lake Major, Lake Loon Cherry Brook Land Use By-Law
http://www.halifax.ca/planning/documents/NorthPrestonLakeMajorLakeLoonCherryBrookEastPreston_LUB.pdf.

- Zoning, including summary of allowance of use:
 - P-2 (Community Facility) and RA (Residential) Zones
(extracts per Land Use By-Law link above).

PART 12: P-2 (COMMUNITY FACILITY) ZONE

12.1 P-2 USES PERMITTED

No development permit shall be issued in any P-2 (Community Facility) Zone except for the following:

(a) Institutional Uses

- Community centres and halls
- Day care facilities, including single unit dwellings in conjunction with day cares
- Denominational institutions and uses
- Educational institutions and uses
- Fire and police stations
- Government offices and public works
- Hospitals and medical clinics
- Nursing homes
- Public libraries, museums and galleries
- Residential care facilities

(b) Open Space Uses

Cemeteries
Historic sites and monuments
Public and private parks and playgrounds

PART 7: RA (RESIDENTIAL) ZONE

7.1 RA USES PERMITTED

No development permit shall be issued in any RA (Residential) Zone except for the following:

(a) Residential Uses

Home Businesses (MDVCCC/HECC-Nov 19/01;E-Dec 16/01)

Day care facilities for not more than fourteen (14) children and in conjunction with permitted dwellings

Existing mobile dwellings

Group care facilities

Multi-unit dwellings containing up to four (4) dwelling units Rooming and boarding houses

Row/townhouse dwellings containing up to four (4) dwelling units Senior citizen housing

Single unit dwellings

Two unit dwellings

(b) Community Uses

Day care facilities, Institutional uses

Government offices and public works

Recreation and open space uses

○ Building condition report:

- Capital Management Engineering Limited, May 2014

<http://www.halifax.ca/surplusproperties/communityinterest/cherrybrookctr/documents/220lakeloonfacilityconditionassessment.pdf>.

○ Plan of survey:

- 220 Lake Loon Road – Not Available
- 266 Cherry Brook Road



266 Cherry Brook
Survey Plan.pdf

6 Feb 18, 2016
GA.

Lake Loon Cherry Brook Community Development Association

February 18th, 2016

Dear HRM Grants and Contributions Office

On behalf of the Lake Loon Cherry Brook Community Development Association I am pleased to submit this proposal for purchase of Community Interest Property located at 220 Lake Loon Rd and 226 Cherry Brook Rd

We thank you in advance for your consideration.

Sincerely,



Brenton Sparks
President, LLCBCDA



Application for Community Interest Property Purchase

Please complete this form using the instructions outlined in the Call for Submissions document to allow your proposal to be evaluated.

| | | | |
|--|---------------------------------|---|------------------------|
| 1. Property Identification Number/Civic Address of Property: PID# 0062486 and PID# 0062455 | | 2. Date of Application: 02/18/16 <small>(mm/dd/year)</small> | |
| 3. Name of Non-Profit Organization Applicant: Check one or more of the following: LAKE LOON CHERRY BROOK COMMUNITY DEVELOPMENT ASSOCIATION (LLCBCDA) | | | |
| <input checked="" type="checkbox"/> Registry of Joint Stocks (Society, Co-operative, Non-profit Business) | | | |
| <input type="checkbox"/> Federal Government No. (Charity, Non-profit Business) | | | |
| <input type="checkbox"/> Act of the Nova Scotia Legislature (please include reference to which Act) | | | |
| 4. Purchase Offer: \$ 1.00 (ONE DOLLAR) (Include purchase price, applicable taxes, and any Halifax Regional Municipality closing costs being reimbursed) SEE ATTACHMENT - TERMS OF PURCHASE OFFER | | | |
| 5. Chair of Board of Directors: Name, Telephone & Email Address: BRENTON SPARKS [REDACTED] | | | |
| 6. Summary of intended use and proposed activities for the property, and how it will benefit the Municipality: SEE 5 YEAR BUSINESS PLAN AND ATTACHMENTS. | | | |
| 7. Application Contact(s): | | | |
| BRENTON SPARKS [REDACTED] | | [REDACTED] | |
| <small>(Name)</small> | <small>(Phone)</small> | <small>(Name)</small> | <small>(Phone)</small> |
| LLCBCDA President | lakelooncherrybrook@hotmail.com | | |
| <small>(Title)</small> | <small>(Email)</small> | <small>(Title)</small> | <small>(Email)</small> |



| | |
|--|---|
| 8. Attach a 5-Year Business Plan, with content including: | |
| <input type="checkbox"/> | Non-profit organization name and non-profit registration number; |
| <input type="checkbox"/> | Articles of incorporation for the non-profit, if applicable; |
| <input type="checkbox"/> | The management structure of the organization including Board of Directors; |
| <input type="checkbox"/> | Description of scale and type of service and the organization's purpose; |
| <input type="checkbox"/> | Past experience and successes; |
| <input type="checkbox"/> | Description of Municipal benefit of the proposed activities for the surplus property; |
| <input type="checkbox"/> | A clear statement of the terms the organization is offering for the purchase or lease of the property: <ul style="list-style-type: none"> • Proposed purchase price; • Amount of deposit, if any; • Closing date requested; • Any and all conditions required for fulfillment prior to closing; • Proposed terms for a Buy Back Agreement; |
| <input type="checkbox"/> | Projected Financial Plan (for the future five years' activities described in the Business Plan): <ul style="list-style-type: none"> • Assets & Liabilities/Debt; • Revenues & Expenditures; • Capital Expenditures Plan, with notes for context; |
| <input type="checkbox"/> | Financial Statements (include as many previous years as are available up to three): <ul style="list-style-type: none"> • Statement of Financial Position/Balance Sheet; • Statement of Operations/Income Statement; • Statement of Cash Flow, if available; • Supporting Notes to the Financial Statements, if available. |

The Applicant certifies that all statements, both written and verbal, made in the course of the submission to Halifax Regional Municipality for the subject Surplus Property in question, are accurate.

False or Misleading Information: The applicant understands that any misstatements of material facts may result in applications being rejected or dismissed. If persons provide false or misleading information, such that the Municipality was induced to grant a less than market value sale of property, then the Municipality may buy back the property as per the terms of the Buy Back Agreement, if one exists.

Conflict of Interest: The Applicant is to declare any known conflict of interest, including, any HRM staff, evaluators, or Councillors.

Exclusions: The Applicant confirms that its organization is entirely non-profit and does not include private and for-profit interests.

Signature:  _____ Date: 02/18/16
(Chair of Board of Directors, NP Org XXXX) (mm/dd/year)



TERMS OF PURCHASE OFFER FOR PROPOERTY LOCATED AT

**220 Lake Loon, Rd. (PID#00624486), Cherry Brook Nova Scotia, and
226 Cherry Brook, Rd,(PID#00624155)Cherry Brook Nova Scotia**

Property Description

The Lake Loon Cherry Brook Community Development Association (LLCBCDA)hereby offers to purchase from the Halifax Regional Municipality (HRM), the property located at 220 Lake Loon Rd. PID#00624486, Cherry Brook Nova Scotia, and 226 Cherry Brook, Rd, Cherry Brook Nova Scotia.

Closing Date

The closing date shall be May 1st 2016.

Purchase Price

The purchase price shall be one dollar (\$1.00)

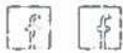
Conditions of Offer

1. The seller (HRM) shall waive the cost for any and all fees for: Property Appraisal; Surveying; HRM Legal Fees; Transfer of Registration of Documents; and Title Migration.
2. The seller (HRM) shall make available to LLCBCDA, any and all funds originally designated for demolition of the said property. These funds shall be applied to the cost of renovation and restoration of the said property. The amount is understood to be: one hundred and fifty thousand dollars (\$150,000.). In exchange for these funds, the LLCBCDA shall agree to meet and abide by any and all reasonable requirements proposed by HRM as a condition of receiving said funds.
3. The seller (HRM) shall make available to LLCBCDA, any and all funds originally designated for maintenance, upkeep and programming at said property, but said funds are now transferred to HRM surplus. The amount is understood to be: one hundred and seventy-five thousand dollars (\$175,000.) In exchange for these funds, the LLCBCDA shall agree to meet and abide by any and all reasonable requirements proposed by HRM as a condition of receiving said funds.
4. The seller (HRM)shall relocate the existing playground to a location accessible and located near the property at 220 Lake Loon Rd. Further, that a portion of the 266 Cherry Brook Rd. property, be subdivided to house the relocated playground, thereby allowing full use of the playground by the LLCBCDA.

ADDITIONAL INFORMATION

FINANCIAL REPORT
LAKELOON CHERRY BROOK
COMMUNITY DEVELOPMENT ASSOCIATION
FOR THE FISCAL YEAR
JANUARY 1st, 2015 - DECEMBER 31st /2015

| | |
|---|-----------------|
| Opening Balance | \$768.31 |
| <u>Revenues</u> | |
| Province of NS grant | 700.00 |
| NS Health Grant | 1000.00 |
| Donations | 905.00 |
| Fundraising | 5,093.75 |
| Total Revenues | 7698.75 |
| Total Revenues & Opening Balance | 8,467.06 |
| <u>Expenditures</u> | |
| Bank charges | 117.87 |
| Registration (Joint Stock Companies) | 61.40 |
| Event Permits | 60.50 |
| Production cost of Community Events* | 2347.44 |
| Total Expenditures | 2587.21 |
| Closing Balance (Excess of Revenues over Expenditures) | 5879.85 |



PROFILE - LAKE LOON/CHERRY BROOK DEVELOPMENT ASSOCIATION - as of: 2016-02-15 08:11 PM

| | |
|------------------------------------|--|
| Business/Organization Name: | LAKE LOON/CHERRY BROOK DEVELOPMENT ASSOCIATION |
| Registry ID: | 1276555 |
| Type: | Society |
| Nature of Business: | |
| Status: | Active |
| Jurisdiction: | Nova Scotia |
| Registered Office: | 220 LAKE LOON RD DARTMOUTH NS Canada B2Z 1A5 |
| Mailing Address: | 220 LAKE LOON RD, BOX 6, COMP 3 DARTMOUTH NS Canada B2Z 1A5 |

PEOPLE

| Name | Position | Civic Address | Mailing Address |
|-----------------|---------------------|---|-----------------|
| MARSHA HUDSON | Director | 26 MARK CRES LAWRENCETOWN NS B2Z 1L6 | |
| LAURIE SPARKS | Director | 206 LAKE LOON RD LAKE LOON NS B2Z 1A5 | |
| CHARLENE DOWNEY | Director | 10 BUNDY LANE CHERRY BROOK NS B2Z 1A6 | |
| MARSHA SPARKS | Director | 93 RILEY RD LAKE LOON NS B2W 6L1 | |
| DONALD RILEY | Director | 110 RIDGE VALLEY RD HALIFAX NS B2P 2S9 | |
| KAREN HUDSON | Director | 985 BISSET RD DARTMOUTH NS B2Y 3Z3 | |
| KAREN HUDSON | EDUCATION CHAIR | 985 BISSET RD DARTMOUTH NS B2Y 3Z3 | |
| MARSHA HUDSON | REC CHAIR | 26 MARK CRES LAWRENCETOWN NS B2Z 1L6 | |
| LAURIE SPARKS | TREASURER | 206 LAKE LOON RD LAKE LOON NS B2Z 1A5 | |
| CHARLENE DOWNEY | ASSISTANT SECRETARY | 10 BUNDY LANE CHERRY BROOK NS B2Z 1A6 | |
| MARSHA SPARKS | SECRETARY | 93 RILEY RD LAKE LOON NS B2W 6L1 | |
| BRENTON SPARKS | PRESIDENT | 2414 LAWRENCETOWN RD | |








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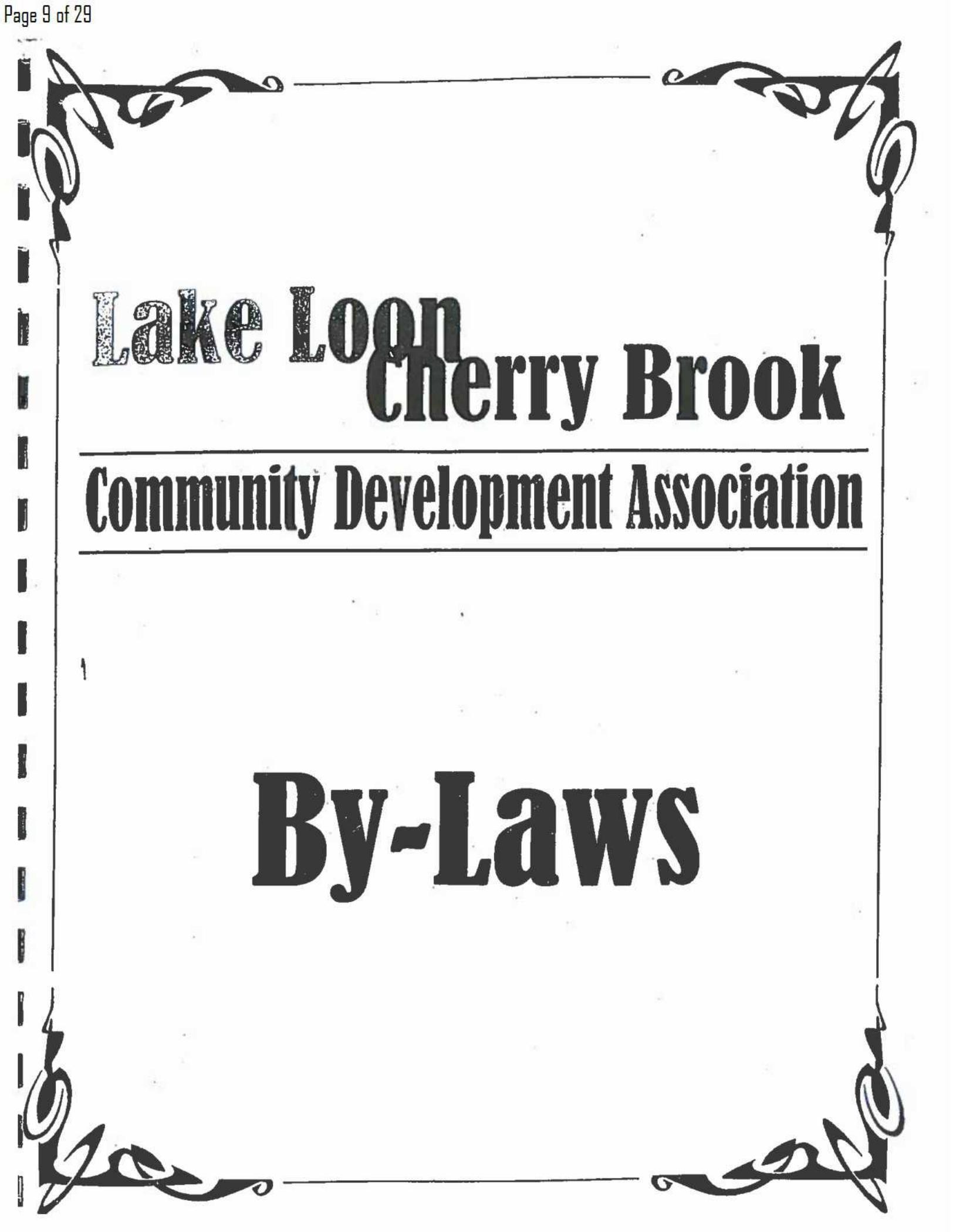

Mailing Address: 220 LAKE LOON RD, BOX 5, COMP 3
DARTMOUTH NS Canada B2Z 1A5

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| MARSHA SPARKS | SECRETARY | 93 RILEY RD LAKE LOON NS B2W 6L1 | |
| BRENTON SPARKS | PRESIDENT | 2414 LAWRENCETOWN RD LAWRENCETOWN NS B2Z 1L6 | |
| DONALD RILEY | VICE PRESIDENT | 110 RIDGE VALLEY RD HALIFAX NS B2P 2S9 | |
| BRENTON SPARKS | Recognized Agent | 220 LAKE LOON RD. LAKE LOON NS B2Z 1A5 | 220 LAKE LOON RD. LAKE LOON NS B2Z 1A5 |

ACTIVITIES





**Lake Loon
Cherry Brook**

Community Development Association

By-Laws

In these by-laws unless there be something in the subject or context: inconsistent therewith:

- (a) "Society" means Lake Loon/Cherry Brook Community Development Association.
- (b) "Registrar" means the Registrar of Joint Stock Companies appointed under the Nova Scotia Companies Act.
- (c) Chairman and Vice-Chairman means "President" and "Vice-President"

MEMBERSHIP & VOTING

Members of the Society shall be residents of the Lake Loon/Cherry Brook area who are 18 years and over.

Every member of the Society shall be entitled to attend any meeting of the Society and to vote at any meeting of the Society and to hold any office, but there shall be no proxy voting.

Only residents who are property owners and over the age of 18, in the Lake Loon/Cherry Brook areas are eligible to vote on issues pertaining to land owners.

Only one vote per person.

FISCAL YEAR

The fiscal year of the Society shall be from January to December of the same year

MEETINGS

Regular meetings are to be held the second Tuesday of each month. Notice of the meetings is to be distributed to all residents of the Lake Loon/Cherry Brook area 4 days prior to meeting. They are to be delivered door-to-door or placed in mailboxes and announced in the Church bulletin for three consecutive weeks prior to meeting date.

The Annual meeting is to be held a month following the end of the Fiscal Year (January of the next year). During the Annual meeting the residents can vote on the new Executive for the upcoming year.

At every regular meeting of the Society, the following items of business shall be dealt with and shall be deemed to be ordinary regular business:

- Minutes of last meeting to be read by the Secretary;
- Incoming correspondence to be read by the Secretary and acted upon;
- Financial Report to be given by Treasurer;
- Reports to be given by other Committee Chairperson

At the annual meeting the following items of business shall be dealt with:

- Previous year Annual Report;
- Annual report from President, Committee Chairperson;
- Financial Report;
- Nomination of new officers

No business shall be transacted at any meeting of the Society unless a quorum of members are present at the commencement of such business and such quorum shall consist of ten members.

If there is no quorum a meeting shall be called within the next two weeks and business shall be carried out even if there is no quorum.

The President of the Society shall preside as Chairman at every general meeting of the Society . In the absence of the President, the Vice-President shall preside as Chairman.

If the President or Vice-President fails to attending a meeting, the meeting shall be postponed until a later day.

The Chairman shall have no vote except in the case of an equality of votes. In the case of an equality of votes, he shall have a casting vote.

The Chairman may, with the consent of the residents, adjourn any meeting in the event there is any sort of misconduct being carried out during the course of the meeting.

Executive Roles

President:

The President is responsible for calling monthly meetings (2nd. Tuesday of each month) and in his/her absence inform Vice-President to carryout his/her tasks. The President informs residents of any concerns that he/she feels has a great impact on the communities of Lake Loon/Cherry Brook. Attend meetings that deal with issues that may concern the communities. Keep abreast of any upcoming events that will help the growth of the communities. Set as a Board Member on the Watershed Association Development Enterprise (WADE) Board.

Vice President:

The Vice-President is to take over the role of the President in his/her absence. Attend meetings on behalf of the President when called upon. The Vice-President is also a member of the WADE Board.

Secretary

The Secretary is responsible for recording minutes of every meeting. The Secretary reads the minutes of the previous meeting at each meeting and makes corrections to it. Correspondence is read and acted upon by the Secretary at the discretion of the President and residents attending the meeting. The Secretary is also responsible for typing any necessary correspondence approved by the Executive and issues that derives from meetings. The Secretary is also a co-signer for any cheques issued by the Organization.

Treasurer

The Treasurer is to keep a record of all financial transactions that is carried out by the Organization and give monthly financial reports at every meeting. The Treasurer is also responsible to obtain permission from the Executive before issuing any funds. The Treasurer is also responsible for developing ways to carryout financial drives from time-to-time. The Treasurer is to insure that two signing officers endorse any cheques. (Usually the Secretary and Treasurer or President and Treasurer). They are to ensure that bank statements are correct and kept up-to-date. The Treasurer is also to have yearly audits carried out and reported back to the Executive of the Organization.

ROLES & DUTIES OF NON-EXECUTIVE COMMITTEES

Trustee Chairman

A Trustee Chairman is selected and elected by the residents during the Yearly Meeting. The Chairman of the Trustees is to ensure that the Building is kept up to standards. The Chairman is also responsible for the rental of the Centre. He/she will be responsible for collecting the payment of the building; ensuring that the renter returns the building back in the order that they found it. The Trustee will have a committee of 4 or more to help carry out the duties of keeping the building and the surrounding grounds in good working order. Funds collected by the Trustee Chairman are to be passed on to the Treasurer and a receipt given to the Trustee confirming the transaction. The Chairman is responsible for giving a report at the monthly meetings.

Recreation Chairman

The Recreation Chairman as like the Trustee Chairman is selected and elected by the residents at the Yearly Meeting. The Recreation Chairman is responsible for creating recreation for the youth and adults of the community. The Chairman is also responsible for overseeing any recreation that is ongoing at the facilities. If outside individuals are renting the facilities for activities it is the responsibility of the Chairman to ensure that things are properly run. The Chairman along with his/her members (3 or 4) is to run a concession stand when events are being held at the Centre. Any revenue that is collected from the Centre by the Recreation Committee is to be turned over to the Treasurer and a receipt is to be issued. The Chairman is responsible for giving a report at the monthly meetings.

Submission missing
page 13
24 Feb 16
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Lakeloon Cherry Brook Community Centre

Business Plan

Prepared by:
Delvina E. Bernard B.Comm., M.Ed.
ACIC Consulting

Harvey Millar Ph.D.
Management Technologies

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The Business

Business details

Products/services:

The Lakeloon Cherrybrook Community Centre will provide a variety of services to its patrons. These services target different market segments which include seniors, youth, students, parents and families, tourists, and community-based organizations. The core business of the Centre will be the provision of leasable spaces that can facilitate a plethora of community-based needs. Some of the needs among many include:

- Tutoring
- After school programs
- Mentoring Initiatives
- Year-round recreation
- Employment support
- Artistic space (culture/arts programs)
- Training and skills development
- Upgrading classes
- Cooking classes
- Health education
- Financial literacy
- Family events
- Access to Technology/Information
- Access to resources
- Day care
- Historical Experience for Tourists
- Meeting spaces
- Catering for Community Functions
- Weddings
- Social gatherings/dances

Many of these services will be provided through third party partnerships. These provision of these services require a facility that can be redesigned and updated to meet the various service functions. Currently the Community has no facility dedicated to providing these services. Acquisition of the Community Centre will make it possible for the Development Association to deliver these much needed services.

Business name: Lakeloon Cherrybrook Community Centre

Business structure: A Not-For-Profit Community Organization
Registration No.

Business premises

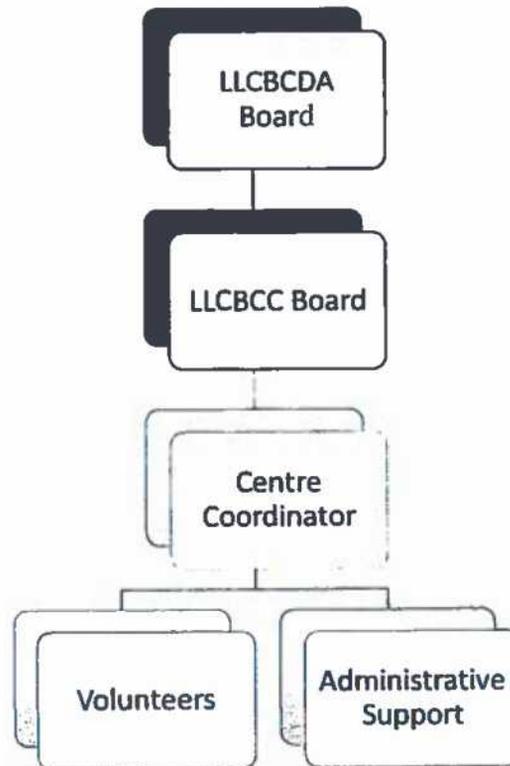
Business location: The location of the Centre is 220 Lakeloon Rd. Dartmouth
Cherry Brook Rd.
Dartmouth, NS
Canada,

Organisation chart

The Centre will be governed by a Board made up of a Subcommittee of the Lakeloon Cherry Brook Community Development Association (LLCBCDA) and some external members. The Board will be made up of 7 members 4 of which will be members of the

LLCBCDA Board and 3 will be individuals chosen from the Lakeloon Cherry Brook Communities who do not sit on the Board of the LLCBCDA. The LLCBCDA will have oversight over the overall framework.

At the outset, the Centre will have two principal staff members: a Coordinator of the Centre and an Administrative Assistant.



Management & Ownership

Names of owners: The Lakeloon Cherry Brook Community Development Association

Details of management & ownership:

The Community Centre will be owned by the Community through the LLCBCDA. The running of the Community Centre will be the responsibility of a full-time coordinator with an assistant. As the services grow in scope and scale, the staffing complement would be expanded to match the needs.

Experience:

The Community Centre has had a long history of providing services to the African Nova Scotian Communities of Lakeloon and Cherry Brook. Events such as weddings, church events, repasses, tutoring, family events, community meetings, etc. Many of these events and services were coordinated by the LLCBDCA. As such there is ample capacity within the community to promote and manage the suit of services that would be offered by the Centre.

Key Personnel

The Centre will have two key staff members:

Table 1. Staff Duties

| Job Title | Principal Duties |
|--------------------------|--|
| Centre Coordinator | <ul style="list-style-type: none"> • Plan and coordinate Centre Programs • Market and publicize the Centre • Provide outreach to target population via home visits, neighborhood, church meetings, etc. • Conduct on-going needs assessments. • Develop strategic relationships with third party providers providing services through the Centre • Evaluate and monitor programs and their successes or failures • Provide referral information to families., seniors, students, and community organizations • Supervise the use of the Centre • Represent the Centre at Community functions • Perform other duties as assigned. |
| Administrative Assistant | <p>Reception</p> <ul style="list-style-type: none"> • Answer general phone inquiries using a professional and courteous manner • Direct phone inquires to the appropriate staff members • Reply to general information requests with the accurate information • Greet clients/suppliers/visitors to the organization in a professional and friendly manner <p>Office Administration</p> <ul style="list-style-type: none"> • Use computer word processing, spreadsheet, and database software to prepare reports, memos, and documents • Sort incoming mail, faxes, and courier deliveries for distribution • Prepare and send outgoing faxes, mail, and courier parcels • Forward incoming general e-mails to the appropriate staff member • Forward voice mail from the general mailbox to the appropriate staff member • Purchase, receive and store the office supplies ensuring that basic supplies are always available • Code and file material according to the established procedures • Update and ensure the accuracy of the organization's databases • Back-up electronic files using proper procedures • Provide secretarial and administrative support to management and other staff • Make travel, meeting and other arrangements for staff • Coordinate the maintenance of office equipment |

Recruitment options

The Communities of Lakeloon and Cherry Brook has the capacity to supply these two individuals. Hence recruitment would not be an issue.

Legal Considerations

The Centre will be operated in accordance with municipal by-laws that govern the operation of Community Centres

Operations

To a large extent, the services that will be offered by the Centre will involve the leasing/rental of space to third party service providers. As such event management and program scheduling will become critical functions undertaken by the Centre. In addition, equipment maintenance and security will also be significant functional areas.

Technology (Software): The centre will source and deploy a number of software tools to allow it to function efficiently and effectively. These include:

- 1) Event and venue management software such as CEVENT, UngerBoek, etc. will be considered
- 2) Microsoft Office Suite – for supporting office operations as well as the needs of clients engaged in tutoring and other training programs. The Microsoft Suite will provide access to database software such as Access to allow effective relationship management
- 3) Accounting Software such as Intuit QuickBooks will be used for supporting book-keeping and accounting

Trading hours:

The hours of operation of the Centre will depend on the seasons. For example, In the Summer, the Centre could have later opening hours compared to the winter months.

Winter-Spring 10 am – 6 PM
Summer Fall 10 am – 8 PM

Communication channels:

We will communicate with patrons and organizations via standard communication devices such as phone, fax, email. We will engage the youth through a Facebook page, and other social medial platforms such as Snapchat, WhatsApp, Twitter.

We will develop a website for the Centre (www.LLCBCC.ca) and use the website for promotion of the Centres programs, issue alerts, provide information not only on the Centres programs, but also on programs being offered by sister organizations.

Payment types accepted: Payment for services offered by the centre will be facilitated through check, credit and PayPal. Every effort would be made to minimize transactions involving cash.

Quality control: The survival of the Centre will depend on a strong culture of service quality and service excellence. As such, best practices for service quality will be adopted by the Centre. The National Quality Institute (NQI¹)

Memberships & affiliations:

Given that many of the Centres programs and events will be delivered by third party providers, the Centre will strongly encourage these providers to become members of well-recognized institutions in their respective areas. For example, an organization offering recreational programs aimed at youth can be a member of Junior Achievement, Kiwanis Clubs, Etc.

Risk Management

Table 2. Summary of Risk Profile

| Risk | Likelihood | Impact | Strategy |
|------------------------------|------------|--------|---|
| Inadequate levels of funding | Medium | High | Solicit funding from all three levels of government Conduct periodic fund-raising events Use a demand driven approach to develop and offer services Undertake aggressive promotion of the Centre's services and programs Ensure that service fees are kept affordable, just slightly below market value |
| Lack of Community Support | Low | High | Undertake stakeholder mobilization and engagement Have potential partners involved in designing the services offerings Promote the Centre at multiple venues such as the Church and in community meetings |
| Cost of Services | Low | High | Ensure we benchmark the fees for similar services at nearby locations where applicable Have a pricing policy that offers services at 10-20% below market rates |

¹ www.nqi.ca - a Canadian organization dedicated to promoting excellence among Canadian firms and organizations.

| Risk | Likelihood | Impact | Strategy |
|---|-------------------|---------------|--|
| Unavailability of Third-Party Service providers | Medium | High | <p>We will solicit partners both from within and outside of the community. Government agencies that target the African Nova Scotian Community will be invited to partner with the Centre in the delivery of services. Some of these organizations include:</p> <ul style="list-style-type: none"> • Nova Scotia Health Authority • HRDC • Medical professionals • The RCMP • Universities |

The Market

Scope and Demographics

We envision the market scope to include not only the Lakeloon Cherry Brook Communities, but in general the Prestons, and nearby areas such as Cole Harbour and Lake Echo. Segmenting the market reveals several groupings, each with their own set of needs. The market segments and their needs are shown in the table below.

While some of those needs are being met elsewhere, many of the locations are far outside the reaches of community members, in particular the elderly. In our consultations, the lack of accessibility; the lack of cultural representation; the lack of culturally-appropriate programming; the tendency toward mainstreaming, the lack of representation of the African Nova Scotians among the staff, made for venues that were unwelcoming to African Nova Scotians. As such, these factors underscore the needs for a Centre within the Community and of the Community to provide services for Community members.

Further, the cost of the services was cited as a barrier to participation. A flexible pricing policy is critical for community participation. The Centre will have the flexibility to create some form of a means-based pricing policy and in so doing increase the opportunity for economically disadvantaged families to partake in the services offered by the Centre.

Table 3.0 Summary of Market Segments and their Needs

| Market Segment | Needs |
|-------------------|--|
| Seniors | <ul style="list-style-type: none"> • Healthcare services (blood collection, BP tests, foot care...) • Socialization • Meals on wheels • Culture and arts programs • Technology support • Access to information |
| Youth | <ul style="list-style-type: none"> • Tutoring • After school programs • Mentoring • Year-round recreation • Employment and employment support • Artistic space (culture/arts programs) • Training |
| Students | <ul style="list-style-type: none"> • Mentoring • Academic support • Socialization • Training |
| NFP Organizations | <ul style="list-style-type: none"> • Meeting spaces • Catering • Weddings • Social gatherings/dances |
| Families/Adults | <ul style="list-style-type: none"> • Upgrading classes • Cooking classes • Health education • Financial literacy • Family events • Access to Technology/Information • Access to resources • Day care |
| Tourists/Visitors | <ul style="list-style-type: none"> • Historical information • African Nova Scotian cultural experience |
| Church family | <ul style="list-style-type: none"> • Space for church activities (meetings, repast) |

The Competitive Environment

African Nova Scotians will generally avoid community Centres or recreational facilities that reinforce their status as a provincial minority group. While the North Preston and East Preston Recreational Centres cater to African Nova Scotians, they are 1) not perceived to be accessible as they are within the heart of these communities; 2) their focus is predominantly local in that they cater to their county members and as such,

members of the Lakeloon Cherry Brook Communities would feel that they are encroachers or interlopers.

We do not anticipate that the establishment of the LLCBCC would create any competition as have already been mentioned, the centres are focused on their local communities. Hence there is no likelihood of market poaching or market cannibalization. While we indicated a market scope that should reach beyond just LakeLoon and Cherry Brook, we will seek expand our market reach by offering programs not offered in other Centres – programs such as: Non-credit University courses; a tourism product predicated upon the History and Heritage of the Lakeloon Cherry Brook Communities, and the like.

Our Customers

We anticipate that while our core business customers/partners are principally third-party service providers, our patrons will reflect the gamut of the community, young and old alike. We will ensure that our service providers will be such that they

- 1) provide services for the full spectrum of our community members so no-one feels left out;
- 2) provide complementarity with their service offerings;
- 3) offer services that maximize the utilization of the Centre
- 4) offer new and updated programming to reflect the changing needs of patrons

Table 4. Sample Service Offerings and Branding

| What services should we offer? | What should we charge | What will make it attractive? | Where and how will we promote this service? |
|--|------------------------------|---|---|
| Technology Kiosk | Free | Modern equipment with good bandwidth Convenient hours and availability | Website Churches Newsletter Fliers Community Groups |
| Training facility for use by third parties | 10% below market rates | Modern equipment Affordability | Website Churches Newsletter Fliers Community Groups |
| Tourism Product – Experience African Nova Scotian Life | Price to be Determined | Well researched and presented culture and heritage program | Website Churches Newsletter Fliers NS Doers and Dreamers Guide Dep't Tourism |
| Mentoring programs engaging seniors and retirees | Free | Willing seniors who are engaging Seniors who are good story-tellers | Website Churches Newsletter Fliers Community Groups |

| | | | |
|--|--|--|--|
| Academic support programs | Free | Programs that reflect the needs of learners Competent instructors Good resources materials | Website Churches Facebook Community Groups |
| Upgrading classes/Literacy programs | Flexible prices based on means | Demand-driven programs Effective instructors Exciting subjects/topics | Website Churches Newsletter Posters Facebook Community Groups |
| Meeting space (e.g. site for continuing education) | 15% below market | Modern rooms fully equipped with technology and reliable Wi-Fi | Website Churches Newsletter Posters Facebook Community Groups |
| Health and recreation (site for HRM Recreational programs) | Fee based on programs | Excellent instructors Great recreational programs | Website Churches Newsletter Posters Facebook Community Groups |
| Space rental | 15% below market Two-tier pricing model for community and non community members | Sizeable rooms Opportunity to flex the size of the rooms Breakout rooms Technology equipped rooms | Website Churches Newsletter Posters Facebook Community Groups |
| Arts and Cultural programs | Fee based on program | Exciting programs Instructors from the African Nova Scotian Community Skilled instructors | Website Churches Newsletter Posters Facebook Community Groups |

Past Experiences and Successes

The Lake Loon/Cherry Brook Community is one of the oldest communities in Dartmouth, and one of the most historic African Nova Scotia communities in the province - dating back to the late 1700's. The community was established and settled by Black Loyalists and Black Refugees in the height of segregation and the indentured servitude era in Nova Scotia.

As did other racially segregated communities of the time, Lake Loon and Cherry Brook established a Church (Cherry Brook Church) and a school (Lake Loon School). These institutions were the foundation, nucleus and pride of the community – primarily because they were established and built by the community. The Schools Act of the late eighteen and early nineteen hundred did not provide for public schools or the building of schools in the Black Community.

Consequently, when the original Lake Loon School built by residents in the 1900's, burned down in the early 1950's, the Halifax County School Board did not intervene to rebuild the school as expected. Resultantly, older students were housed in the vestry of the Church to continue their education, while the younger students were without education until a new school was built two- three years later.

The land to build the new school-now the existing structure at 220 Lake Loon Rd - was donated to the community by a resident of the Lake Loon (The Drummond Family). The then "Colored Schools" were not yet under the jurisdiction of the Halifax County School Board; and whereas segregated schools in Nova Scotia were not outlawed until 1955 by law and the mid 1960's in actual practice, residents of Lake Loon Cherry Brook held strong psychic ties to the Lake Loon School which located at 220 Lake Loon Rd today.

This historic emotional relationship with the Lake Loon School in respect to the desire for opportunity, equality, and self determination still remains today. Furthermore, it was for those same reasons, that the Lake Loon School remained under the care and control of the LLCBCDA from the 1960's until recent years, especially as the Halifax County School Board had no interest in the property.

During those years, the LLCBCDA operated numerous programs and services for the benefit of the Lake Loon Cherry Brook residents, and adjacent neighboring communities. These services have included: A Head Start Program, A Day Care Centre; Summer Employment Initiatives for students; Recreational Programs, Saturday Bible Schools; Reception Space for events (weddings, birthdays anniversaries, reunions, etc.); Youth and Teen Initiatives; Meeting pace for the community development association, and an overall general gathering space for families, and community members at large.

During those years, significant competence was developed in the areas of program planning, as well as event and facilities management. Many such skills still remain amongst community members. However, as operational funding—which was mainly sourced largely from federal government grants – became less available, the Lake Loon School fell into disrepair. Consequently, the communities of Lake Loon and Cherry Brook have remained largely un-serviced in respect to access to community-based recreational and social facilities. However, it is because of the past relationships of successful programming and operation of the Lake Loon School, that current members of the LLCBCDA are confident they have the knowledge, skills and abilities, and more importantly the culturally-driven motivation to operate a full service community Centre, as outlined and articulated in the five-year Business Plan.

Municipal Benefit

Whereas the property at 220 Lake Loon Rd has sat in disrepair and unattended to by the HRM for several years, it can be reasoned that the property is of no great economic or other benefit to HRM. HRM has not been able to justify repairs, renovations, and operation of the facility for its own benefit. HRM's own public records indicate the property was identified for possible demolition. Again, the action of a demolition would impose financial obligations on the part of HRM. One can reason the facility was becoming more of a liability than an asset to HRM.

However, the LLCBCDA, has a special interest and relationship to the Lake Loon School property and have a well intentioned vision for its repurposing. With that unique condition, the LLCBCDA can demonstrate a sound business case for acquiring ownership of the property, which will benefit HRM in both the short and long term.

HRM will benefit in two major ways these are: Relief from the ongoing care, control, and liabilities of property ownership. Many of these liabilities over time would be financial. In addition, transferring ownership to the LLCBCDA will generate a tax base form the property.

Secondly, HRM will be instrumental in empowering a community-based organizations to engage in the honorable civic act of providing needed services to its community—as articulated in the Business Plan. Further, HRM will have done "cultural diligence" by returning the Lake Loon School to those who first envisioned its beginnings and who have throughout time maintained a link to this historically significant facility. Restoring

The Future

Vision, Mission and Values

The community was quite passionate about having a first rate/first class Centre that they could be proud of. They envision a Community Centre that embody's several attributes. When asked about the purpose of the centre and the values framework that the Centre must hold onto In order to successfully pursue the vision and mission, the members were equally passionate. The attributes of the vision and mission and the core values for the Centre are shown below in Table 5.

Table 5. Summary Vision & Mission Attributes and Core Values

| Vision Attributes | Mission Attributes | Values |
|--|---|---|
| <ul style="list-style-type: none"> • A progressive and Innovative organization- a trail blazer • Uniting the community • Sense of identity • Sustaining Community – Future Bound • A meeting place • A full service multipurpose facility • Healthy, fit, and engaged • Educational enhancement, a catalyst for development of the community | <ul style="list-style-type: none"> • To better community • To preserve our culture • To build and uplift community • Create new history • Ensure the survival of Black communities • Improve the quality of life of community members • Create cultural legacy • Promote human development and happiness • Make a contribution In shaping Canada | <ul style="list-style-type: none"> • Principles of the Nguzo Saba (Kwanzaa Principles) • Love for community • Spirituality and Black Love • Reciprocity • Kinship • Equality and Equity • Love of self |

Core Strategic Goals for the Centre

The Centre will help to serve three core goals which include:

- 1) To create a platform for enabling community rebirth towards the long-term survival of the Lakeloon and Cherry Brook Communities
- 2) Create a focal point for cultural continuity and the preservation of African identity by creating opportunity for inter-generational exchanges that allow for the transmission of culture and values from the elders to the youth
- 3) To Contribute significantly to the quality of life of the members of the two communities
- 4) To enable opportunities for building community assets (economic, social, Political, and cultural)

The Finances

Financial objectives

Principal financial objectives include:

- Developing sustainable funding levels to ensure long-term survival
- By the third year to contribute to generate a positive cashflow
- By year 5 to operate on cost recovery basis

Finance Required

Given that the building has remained dormant for several years, the first year of the Centre will be focused on renovation of and improvements to the facility. It is not anticipated that facility can be opened for business before the summary of 2017, which should be the target date for a grand opening. It has been estimated that the building will require a budget of \$500,000 for renovations. The funding will be sourced from all three levels of government, philanthropists, community fundraisers, and community in-kind contributions.

Assumptions

A number of assumptions guide our financial projections.

- The first year post handover of the property will be used to complete the renovations and such there will be no programming in 2016.
- Programming will likely begin in 2017 with advertising and promotion of the Centre commencing in Fall 2016.
- The Centre for its first three years of operation will likely suffer small operating loss
- The Centre can begin to operate on a cost recovery basis by year 5 of its operation - 2020.

Start-up costs for 2017

Start-up Costing for LLCBCC - 2017

| START-UP COSTS | Cost (\$) | EQUIPMENT/CAPITAL COSTS | Cost (\$) |
|---|-----------------|--------------------------------------|----------------|
| Registrations | | Business purchase price | \$1 |
| Business name | \$400 | | |
| Licences | | | |
| Permits | | Plant & equipment | |
| Domain names | | Vehicles | |
| Trade marks/designs/patents | | Computer equipment | \$2,000 |
| Vehicle registration | | Computer software | \$500 |
| Membership fees | | Phones | \$300 |
| Accountant fees | | Fax machine | \$150 |
| Solicitor fees | \$0 | Security system | |
| Rental lease cost (Rent advance/deposit) | | Office equipment | |
| Utility connections & bonds (Electricity, gas, water) | \$2,000 | Furniture | \$2,000 |
| Phone connection | \$200 | Shop fitout | |
| Internet connection | \$500 | | |
| Computer software | | | |
| Training | | | |
| Wages | \$30,000 | | |
| Stock/raw materials | | | |
| Insurance | | | |
| Building & contents | \$1,500 | | |
| Vehicle | | | |
| Public liability | | | |
| Professional indemnity | | | |
| Product liability | | | |
| Workers compensation | | | |
| Business assets | | | |
| Business revenue | | | |
| Printing | | | |
| Stationery & office supplies | \$500 | | |
| Marketing & advertising | \$1,000 | | |
| Total start-up costs | \$36,100 | Total equipment/capital costs | \$4,951 |

Expected cash flow

[Double-click the table below to enter your details or attach your own profit & loss sheet at the back of this business plan]

Profit and Loss Projections

| Year-by-year profit and loss assumptions | | | | | |
|--|--------|--------|--------|--------|--------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Annual cumulative price (revenue) increase | - | 2.00% | 4.00% | 6.00% | 8.00% |
| Annual cumulative inflation (expense) increase | - | 2.00% | 4.00% | 6.00% | 8.00% |
| Interest rate on ending cash balance | 0.50% | 0.50% | 0.50% | 0.50% | 0.50% |

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--|------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue | | | | | |
| Gross revenue | \$405,000 | \$3,000 | \$10,000 | \$25,000 | \$40,000 |
| Cost of goods sold | 0 | 0 | 0 | 0 | 0 |
| Gross margin | \$405,000 | \$3,000 | \$10,000 | \$25,000 | \$40,000 |
| Other revenue [source] | \$0 | \$0 | \$10,000 | \$0 | \$0 |
| Interest income | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total revenue | \$405,000 | \$3,000 | \$20,000 | \$25,000 | \$40,000 |
| Operating expenses | | | | | |
| Sales and marketing | \$0 | \$1,000 | \$1,040 | \$1,102 | \$1,191 |
| Payroll and payroll taxes | 0 | \$30,000 | \$40,000 | \$42,400 | \$45,792 |
| Depreciation | 0 | 0 | 0 | 0 | 0 |
| Insurance | 1,500 | \$1,530 | \$1,591 | \$1,687 | \$1,822 |
| Maintenance, repair, and overhaul | 375,000 | 0 | 0 | 300 | 400 |
| Utilities | 0 | \$2,000 | \$2,000 | \$2,120 | \$2,290 |
| Property taxes | 0 | \$0 | \$0 | \$0 | \$0 |
| Administrative fees | 0 | \$0 | \$0 | \$0 | \$0 |
| Other | 0 | \$1,100 | \$1,144 | \$1,213 | \$1,310 |
| Total operating expenses | \$376,500 | \$35,630 | \$45,775 | \$48,822 | \$52,803 |
| Operating income | \$28,500 | (\$32,630) | (\$25,775) | (\$23,822) | (\$12,803) |
| Interest expense on long-term debt | 0 | 0 | 0 | 0 | 0 |
| Operating income before other items | \$28,500 | (\$32,630) | (\$25,775) | (\$23,822) | (\$12,803) |
| Loss (gain) on sale of assets | 0 | 0 | 0 | 0 | 0 |
| Other unusual expenses (income) | 0 | 0 | 0 | 0 | 0 |
| Earnings before taxes | \$28,500 | (\$32,630) | (\$25,775) | (\$23,822) | (\$12,803) |
| Taxes on income | 10% | 2,850 | 0 | 0 | 0 |
| Net income (loss) | \$25,650 | (\$32,630) | (\$25,775) | (\$23,822) | (\$12,803) |