

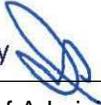
HALIFAX

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

Item No. 8.1.8
Regional Council
May 12, 2020

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: April 27, 2020

SUBJECT: Sheet Harbour Lions Club – Eastern Shore Lifestyles Centre

ORIGIN

- January 30, 2018 motion of Regional Council:

MOVED by Councillor Hendsbee, seconded by Councillor Karsten:

THAT Halifax Regional Council direct staff to:

1. Allocate a maximum of \$100,000 (inclusive of HST) from capital account CB000080, Sheet Harbour Rec Centre, to procure consultant services to develop a business case and prepare concept architectural and site plans along with preliminary capital and operating cost estimates for the proposed Eastern Shore Lifestyles Centre;
2. Seek input from the Eastern Shore Lifestyles Centre Society on the conceptual design and business case; and
3. Return to Regional Council with recommendations regarding the conceptual design and business case that achieves a cost neutral operation of the proposed centre.

MOTION PUT AND PASSED UNANIMOUSLY

- March 5, 2019 motion of Regional Council:

MOVED by Councillor Hendsbee, seconded by Councillor Nicoll:

THAT Halifax Regional Council direct the Chief Administrative Officer to:

1. Address the matters identified in the Alternative Proposal (Options 2 and 3) section of the staff report dated February 28, 2019 as follows:
 - a. confirm if the Halifax Public Library will consider locating its branch in the new facility;
 - b. confirm that the land identified for the new facility is suitable and is available;
 - c. develop a more detailed plan for the multi-purpose (community hall) component of the facility;
 - d. confirm availability of funding from other levels of government; and
 - e. develop an operating model for the new facility;

RECOMMENDATION ON PAGE 2

2. Develop conceptual plans for the new facility in accordance with the Alternative Proposal (Options 2 and 3); and
3. Return to Council with recommendations regarding conceptual design and a funding plan, for a multi-year capital project ongoing operating funding, based on the Alternative Proposals (Options 2 and 3) and that HRM's funding portion be capped at \$3M.

MOTION AS AMENDED PUT AND PASSED UNANIMOUSLY.

LEGISLATIVE AUTHORITY

HRM Charter, Section 7A the purposes of the Municipality are to (b) provide services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality

HRM Charter, Section 61(5) 5) The Municipality may (a) acquire property that the Municipality requires for its purposes or for the use of the public

Administrative Order 2018-004-ADM, the *Real Property Transactions Policy*

RECOMMENDATION

It is recommended that Regional Council direct the Chief Administrative Officer to:

1. Amend the Municipality's proposed Capital Budget to allocate funds for acquisition of land, consulting fees, and construction of a facility to house a recreation centre, library and fire station in Sheet Harbour as outlined in this report, to include:
 - a) \$600,000 in 2020/21 for land acquisition, due diligence, and consulting fees; and
 - b) Remaining \$2,400,000 for the facility in 2021/22.
2. Apply for Canada Infrastructure Program funding for the recreation centre and library; and
3. Approve the acquisition of the subject lands identified on Attachment B and negotiate and execute an Agreement of Purchase and Sale on behalf of the Municipality, in accordance with AO 2018-004-ADM and the terms and conditions outlined in Table 1 of this report.

BACKGROUND

In 2016, roof and structural issues were identified in the Sheet Harbour Lions Community Centre (183 Pool Road, Sheet Harbour), which is owned by the municipality but managed by the Sheet Harbour Lions Club (Attachment A). The building contains recreation, community meeting, and function spaces. As a result, as part of a February 7, 2017 report to Regional Council, staff identified that it was going to consider a scope of work for the repair or replacement of the community facility. It was further noted that a new facility could include a consolidation of HRM's recreation centre and the Sheet Harbour Public Library that are currently jointly located in leased space within the Bluewater Building (22756 Highway 7, Sheet Harbour) in Sheet Harbour. Subsequently, \$2.514 million was earmarked for facility repair or replacement through the anticipated 2021/22 and 2022/23 capital budget. This amount was then increased by Regional Council to \$3.0 million.

Shortly following Regional Council's consideration of the February 7, 2017 staff report, a community group, the Eastern Shore Lifestyles Centre Society (ESLCS), was formed in Sheet Harbour. Through a series of committee and community meetings, the ESLCS developed a plan for a more substantial community facility compared to what was envisioned in the HRM staff report and one that would be cost-neutral. It included the possibility of non-municipal tenants. The ESLCS submitted a proposal for HRM to assist it in procuring architectural and planning services for the development of concept plans that could be used to illustrate an

enhanced community facility and be used to obtain capital funding commitments from other levels of government and other sources.

Based on the submission of the ESLCS and an accompanying staff report, on January 30, 2018, Regional Council directed staff to allocate funding to procure a consultant to review the ESLCS business case for a cost neutral operation and subsequently prepare a concept design. The consultant, Capital Management Engineering Limited (CMEL), engaged with municipal staff and the ESLCS, as well as other stakeholders in the review of the project on the business case review as an initial step. This study identified business case issues with a cost neutral approach, but the model continued to be advocated by the ESLCS. This led to a further staff report that was discussed by Regional Council on March 5, 2019. From this, Regional Council put forward a motion directing staff to explore a community facility that would be predominantly comprised of municipal uses as well as an option for a multi-tenant facility (identified in the March 5, 2019 motion as Options 2 and 3). In addition, Regional Council directed staff to confirm the interest of Halifax Public Libraries in relocating, the suitability and availability of the proposed lands, develop a more detailed plan for the community hall, confirm funding availability, and determine an optimal operating model for the proposed community facility.

DISCUSSION

The remainder of this report responds to each of the Regional Council directives. When Regional Council made its March 5, 2019 motion, there were different ideas about the type of facility that may be realized, including one that might have involved a variety of prospective business and provincial tenants. However, as the review of this project and discussions with the ESLCS advanced over the past several months, a single idea of a preferred community facility emerged. It is to be a municipal facility comprised of a recreation centre, library, and community hall. In addition, a proposal to include a new fire station is included.

Halifax Public Libraries

On November 19, 2019, Halifax Public Libraries Board passed a motion outlining its interest in relocating its services from the Bluewater Building to a new facility in Sheet Harbour. The library board stipulated conditions to relocating to the new centre, including:

- Library staff being engaged in the design process, to ensure library services are optimally located to provide best service to the community;
- Library space being approximately 279 square metres (3,000 square feet);
- Library management being included as an ongoing partner in the oversight and management of the municipal portions of the facility; and
- Library services not paying rent in a municipally owned facility.

With this direction, meetings have been held with Halifax Public Library staff to outline components of the centre. Aside from core services, such as book lending and reading areas, a multi-purpose room that hosts community programs and can also serve as a meeting room/board room is envisioned. In addition, the library would use other multi-purpose areas within the prospective facility such as the community hall. Arrangements and any necessary agreements for the library would be determined through next phases of the development of the building program.

The Bluewater Building currently houses offices for the JobWorks program that are used on an intermittent basis. In other municipal facilities in the municipality such as the Musquodoboit Harbour Library, JobWorks sets up services within library space. Flexible space that could be used for community and government partners to provide service locally as needed is envisioned within the proposed library.

Halifax Regional Fire & Emergency

As Halifax Regional Fire & Emergency (HRFE) became aware of a potential new municipal building in Sheet Harbour, it shared its urgent need to establish a new fire station that could accommodate a 24-hour composite service deployment model with career and volunteer firefighters. The current fire station in Sheet

Harbour is on municipal lands and leases space to Department of Lands and Forestry. It is nearing the end of its useful life and no longer meets service needs, as it was originally designed for a volunteer firefighter station prior to amalgamation. HRFE has had a career crew deployed on a daytime rotation since March 2016 to address community emergency service needs, despite the very limited provisions of the station that was only designed for volunteers. Recently, HRFE presented a community risk analysis to Council that identified the Eastern Shore as an area that has very high risks partially attributed to the inability to muster an effective firefighting force with volunteer firefighters alone. HRFE is planning to deploy a 24-hour composite service delivery model in Sheet Harbour as part of the strategy to address service deficiencies and community risks for the Eastern Shore. This would allow HRFE to have a permanent presence within the community that not only responds to emergencies but would also enhance their ability to provide community risk reduction and outreach initiatives. In addition, HRFE envisions a design that would leverage recreation facilities and other parts of a prospective community facility to facilitate these programs and activities and for their operational needs which would reduce their footprint in a stand-alone station. Changing the current station to a 24-hour composite service delivery model would require extensive renovations to the current aged structure.

At this time, funding has not been allocated and detailed planning has not been completed for the inclusion of a fire station, however there is potential with the project to incorporate municipal services in the community into one building, replacing three separate locations and thereby providing economies of scale and efficiencies in service. It has been determined such a component would be approximately 930 square metres (10,000 square feet) in size and could readily be incorporated into a building design. A detailed site analysis will need to be performed to determine the suitability of the site for the fire station, such as grades and highway sight lines.

Suitability of the Proposed Lands

One of the first things that the ESLCS did following its formation was to undertake a site selection process within Sheet Harbour. This was done independently and the ESLCS selected a site on the west side of the West River Falls on lands that are owned by the Province (Attachment B). The ESLCS has subsequently entered into an agreement of purchase and sale with the province to acquire these lands, along with additional provincial lands on the east side of the falls. The ESLCS has proposed to purchase all the lands and then subsequently transfer them to the municipality, along with any costs that would have been incurred. Initially, the ESLCS thought that it may be able to obtain the lands at no cost from the province, but it has been determined that an acquisition for fair market value will be required, which may be in range of \$100,000 to \$130,000 based on an appraisal commissioned by the ESLCS.

Challenges and Site Suitability Assessments

With the backdrop of the West River Falls, the lands showcase a prominent feature in the community. They are also sizable and should be able to accommodate the anticipated facility. However, they have some challenges, including:

- the potential for Aboriginal or other heritage and cultural resources;
- past industrial uses and contamination that has been the subject of remediation;
- the presence of former mine shafts;
- onsite sanitary and storm water management systems
- requirements for riparian boundaries due to the proximity to the ocean and watercourse
- the potential for excessive site development work with additional costs; and
- zoning (RPK zone) that does not permit the community facility, unlike most areas of Sheet Harbour that are in the MU (Mixed Use) Zone.

Other factors that are relevant to the lands are that:

- the ESLCS has identified the southern portion of the lands on the west side of the falls as a Mi'kmaw burial site and most recently has excluded this portion of the lands from its prospective acquisition;

- the agreement of purchase and sale between ESLCS and Province of Nova Scotia contains a requirement that the province is to undertake Aboriginal consultation as a condition of the sale, the costs of which are to be borne by the purchaser; and
- assessments of environmental conditions are the responsibility of the purchaser.

Should Regional Council direct staff to enter into negotiations for the lands with the Province directly, the conditions for the acquisition would be reviewed to ensure those terms outlined in Table 1 later in this report are met.

Zoning

The proposed site is zoned RPK (Regional Park) Zone under the Eastern Shore (East) Land Use By-law. Currently this zoning would not permit the facility envisioned. The RPK Zone is established under the Regional Plan, and for lands owned by the province, it is intended to apply to Provincial Parks, Provincial Park reserves, and non-designated Provincial Parks. Staff are unable to determine any history of the province designating these lands for park purposes, therefore the application of the RPK Zone may not be appropriate. As a decision to acquire the lands has not yet been made, any steps to amend the land use regulations would be premature at this stage of the process. Should the Municipality decide to acquire the lands, amendments to the land use permissions will need to be approved to allow the development of the proposed community facility.

Municipal Acquisition

Although there are challenges, the ESLCS has steadfastly indicated that the lands are the only worthwhile location in Sheet Harbour and have been the subject of community consultation. On this basis, there is merit in continuing with the ESLCS proposal. Acquisition of the lands by the ESLCS and a subsequent transfer to the municipality made sense on the premise of the lands being able to have been obtained by a community group for no cost. However, with the confirmation that the acquisition must be at market value, it is more practical for the municipality to obtain the lands directly from the province. This would also facilitate more direct communications and the ability to more quickly obtain information to support the prospective acquisition.

Obtaining the lands will require a new purchase and sale agreement to be secured with the province with due diligence and terms and conditions over matters including:

- Aboriginal consultation and associated assessments;
- environmental assessments;
- an appraisal to confirm fair-market value of the subject lands;
- approval of amendments to the municipality's planning documents;
- a survey plan; and
- general site suitability for the recreation and library facility and fire station.

There may be merit in obtaining the entire provincial lands as suggested by the ESLCS as this would allow additional open space and interpretation associated with the prospective community facility, but whether there is a need for the additional land would need to be confirmed through the detailed investigations of the lands and assessment of open space requirements for the area. The presence of Aboriginal cultural artifacts or values, or certain environmental conditions could negate the municipality's interest in some or all or parts of the lands. In addition, the costs associated with any assessments will need to be considered.

Multipurpose Community Hall

Since the proposed facility is a replacement of the Lions Hall and municipal services located in the Bluewater Building, the need for a community hall with capabilities that are comparable to the two facilities are important. The space should be able to accommodate a variety of functions, including:

- weddings;
- funerals;

- quiet room / patient assessment room;
- community meetings and training room;
- community fundraisers;
- community dinners; and
- recreation and library programming.

With the need for a versatile space that would be used by a variety of groups, there will need to storage for event equipment and programming equipment. The ESLCS has determined that the community hall should be 325 square metres (3,500 square feet) in size, along with 72 square metres (800 square feet for a kitchen). While it is noted that this is less space than the existing Lions Hall, which is naturally large as it is a converted indoor swimming pool, there are very few community events that might require even the community hall and kitchen space that are envisioned by the ESLCS.

Operating Model

At one point, with a variety of uses and tenants, there were questions respecting the management and operation of the prospective facility. However, as it has evolved to be primarily a municipal centre comprised of Halifax Recreation, Halifax Public Libraries, and Halifax Regional Fire & Emergency, it is recommended that the facility be municipally owned and operated. Many community events in the community hall might be best held and delivered by a community group (envisioned to be the Lions Club), which can be the subject of an agreement with the municipality to determine matters such as usage and operating cost contributions. An example of this type of agreement would be LeBrun Recreation Centre, which is owned and operated by the municipality, but the local Lions Club have access to the community hall. The ESLCS' role has been in realizing the new community facility in Sheet Harbour and it has not identified itself as an ongoing organization beyond this point.

Conceptual Plans

The approximate size of the recreation and library facility and fire station components are as follows:

Component	Square Metres	Square Feet
Library	279	3,000
Recreation and Fitness	158	1,700
Halifax Regional Fire & Emergency	930	10,000
Community Hall	397	4,300
Facility Mainstreet	139	1,500
Mechanical	46	500
Total	1,951	21,000

The ESLCS did submit supplementary information to their original business case as of July 2019 that included information about the selected land and some renderings and block diagrams of their vision for the facility. However, the need to better understand the Aboriginal values of the lands and undertake environmental investigations has precluded the preparation of actual conceptual plans. This would be accomplished once additional information about the lands are obtained.

Costing

The estimated cost for the proposed 1,022 square metres (11,000 square feet) community facility is approximately \$5,225,000, with additional costs for clearing, grading, hardscaping and landscaping, which are forecasted at \$2,000,000. However, this would need to be further confirmed through the site investigations outlined in this report. The cost for the 929 square metre (10,000 square foot) fire station potential future expansion of the building for the addition of a fire station would be approximately \$4,750,000, bringing the total cost of the construction to approximately \$11,975,000. At the early stages of

the project, there are risks associated with the delivery of this project within the estimated cost. Project contingency will be included to mitigate any risks to cover unforeseen project, market and site conditions.

Funding

As noted, originally \$2.514 million was allocated in the capital budget for the repair of the existing facility. Subsequently, Regional Council increased this allocation to up to \$3,000,000 in the capital budget for the development of a new community facility. In the proposed capital budget, \$600,000 has been identified for 2021/22, along with \$2,400,000 for 2022/23. The ESLCS has been engaged directly with the province and federal government about prospective funding and there are indications that the community facility will be a suitable candidate for consideration under the Investing in Canada Infrastructure Project in 2020/21. Under this program, provincial/federal funding could be as much as 73% of project costs for the community facility. Subsequent to Regional Council's approval of the recommendations in this report, the application would be made by the municipality. The potential funding from other levels of government provides rationale to advancing the funding for the community facility to 2020/21 and 2021/22. Subsequently, if the cost share funding is not provided towards a new facility, the capital funding would be required to complete the repairs to the existing building.

The fire station component of the prospective facility is not currently eligible for funding from other levels of government and is not currently included in the three-year capital budget but has been identified as a possible future capital budget expenditure. If cost share funding is provided towards a new facility, it is suggested that the design and planning for a building that can accommodate fire services be done now. Where the joint recreation and library facility project is further advanced and the potential for cost share funding to support such a facility may be available, this approach would enable HRM to potentially receive cost share funding towards the community facility and incorporate a future addition of a fire station in the design. A final decision of the fire station addition would be a future capital budget consideration.

Conclusion

There is merit in advancing the budget funds for the prospective combined recreation centre and library facility as the project has been deemed eligible for consideration of funding from other levels of government. It is recommended that the municipality proceed with budget allocations and a funding application, while acquisition of the lands and necessary due diligence are pursued. The terms and conditions for the acquisition are contained in Table 1.

Table 1, Acquisition Terms

PID #	41170382, 40209942, 40210445, 40436792, 41170373, 41170390, and 41170408, or a portion of these identified lands at the discretion of the CAO in response to results of due diligence assessments
Property Owner / Vendor	Province of Nova Scotia
Area	Approximately 9.2 hectares (22.73 acres)
Municipal Purpose / Use	Community facility (recreation centre, library, and community hall), fire station, and parkland
Purchase Price	Per s.8 & s.9 of AO 2018-004-ADM: <ul style="list-style-type: none"> cannot exceed 115% of Market Value determined by an appraisal
Approval and Signing Authority	Pursuant to s.9 & s.10 of AO 2018-004-ADM in accordance with the appraised Market Value
Additional Terms and Conditions	Due diligence to include: <ul style="list-style-type: none"> aboriginal consultation and associated assessments; confirmation of provincial and federal funding;

	<ul style="list-style-type: none">• environmental assessments and any confirmation of remediation;• appraisal to confirm fair-market value of the subject lands;• approval of amendments to the municipality's planning documents;• survey plan; and• general site suitability for the recreation and library facility and fire station.
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Inherent in the direction to staff is that any challenges that may be associated with the lands are reasonable and can be readily addressed. In addition, the municipality can only proceed based on the funding from other levels of government as outlined in this report. If necessary, staff would return to Regional Council with additional information and seek further direction. Otherwise, staff will continue to inform the local councillor, the ESLCS, and community of the process of the project.

FINANCIAL IMPLICATIONS

Under the Capital Budget that was initially prepared for Regional Council's consideration, the funding allocations for the Sheet Harbour community facility were envisioned for future budget years rather than in 2020/21 and 2021/22 as recommended in this report. Should Regional Council direct the Chief Administrative Officer to proceed with the Sheet Harbour project as outlined in this report, staff would consider the sources of funding for 2020/21 through the preparation of the re-forecasted capital budget that is currently und underway.

In terms of operating costs for the proposed facility, as noted in previous reports (<https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/190305rc1515.pdf>), both the HRM recreation facility and library are located in leased space in the community. As well, the Lions Club operates HRM owned facility through a partnership agreement with HRM. As a result, HRM and Halifax Libraries incur lease costs in excess of \$150,000 per year as well as operating costs associated with both facilities. In addition, HRM provides \$18,950 annually in funding to the Lion's Club towards their operation. As outlined in the business case review of the options for a replacement facility, which was summarized in previous reports to Council, the operation of a new joint municipal facility is estimated to be \$150,000 annually, which would be offset by the reduction in costs associated with the former facilities.

RISK CONSIDERATION

The risks of proceeding with this project are related to the funding from other levels of government and the suitability of the lands, specifically the potential outcomes of the environmental assessments and Aboriginal consultations. These will be mitigated through the due diligence process which would be undertaken as part of the land negotiations and overall project risk assessment as well as the conditions being recommended to Regional Council and the steps that would subsequently be undertaken by staff. Should the municipality not be successful in receiving funding or the land acquisition due diligence process raise concerns that could impact the project, staff would return to Regional Council to seek further direction.

COMMUNITY ENGAGEMENT

Community engagement has been with the ESLCS board, which has held community meetings, had fundraisers, and published and distributed a newsletter. Additional community engagement will also occur regarding the prospective amendments to the municipal planning documents and Aboriginal consultation program associated with the sale of the lands.

ENVIRONMENTAL IMPLICATIONS

As outlined in this report, environmental assessments will form part of the property acquisition due diligence. Staff will return to Regional Council, should these factors or the costs of overcoming them prove to be beyond those that would normally be anticipated for a property acquisition and site development.

ALTERNATIVES

1. Regional Council could direct the Chief Administrative Officer to not proceed with funding applications until property acquisition is completed.
2. Regional Council could direct the Chief Administrative Officer to maintain capital funding in the years that are currently allocated in the capital budget. This would require additional discussion with other levels of government about possible future funding, which may or may not be available.
3. Regional Council could direct the Chief Administrative Officer to evaluate different sites or types of facility components than those that are outlined in this report.

ATTACHMENTS

Attachment A Context Map
Attachment B Subject Lands

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Gareth Evans, Recreation Planning Specialist, 902.292.1264
 Richard Harvey, Manager of Policy and Planning, 902.476.5822



SHEET HARBOUR CONTEXT MAP



SHEET HARBOUR SUBJECT LANDS

-  Burial Ground Area
-  Zoning
-  Parcel Polygon
-  Building or Other Structure

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