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Halifax, Nova Scotia
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Item No. 15.1.2
Halifax Regional Council
January 24, 2023

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: January 6, 2023

SUBJECT: **Name Change - Community Builders Inc.**

ORIGIN

July 6, 2022, letter from Community Builders Inc. requesting Halifax Regional Municipality (HRM) consent to the assignment of the Management Agreement to a new Society to be known as CHP Recreation Society with the purpose of the new society to manage the operations of Cole Harbour Place.

LEGISLATIVE AUTHORITY

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

75 (1) The Municipality may agree with any person for the provision of a service or a capital facility that the Municipality is authorized to provide.

(2) An agreement made pursuant to subsection (1) may allow for the lease, operation or maintenance of the facility or provision of the service by a person...

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Consent to the assignment of the management agreement for Cole Harbour Place dated January 21, 2019, from Community Builders Inc. to the CHP Recreation Society (conditional upon its incorporation) and authorize the Chief Administrative Officer or their delegate to negotiate, execute and communicate any necessary documents or agreements that are required to effect the assignment; and
2. Confirm that the CHP Recreation Society may have as its purpose the management of Cole Harbour Place.

BACKGROUND

Community Builders Inc. (CBI) operates Cole Harbour Place, which is owned by the Municipality, under a Management Agreement, executed January 21, 2019. This management agreement arose out of the Multi-District Facilities (MDFs) Project which was completed October 2, 2018.

In July of this year, staff received a letter from the Board of CBI (Attachment 1) confirming their intent to wind up Community Builders Inc., operating as a Limited By Guarantee entity since 2000, and incorporate a new Society to be known as CHP Recreation Society which would manage the operations of Cole Harbour Place.

Given Regional Council's initial approval of the Management Agreement between HRM and CBI, staff are required to bring this request to Council for consideration.

DISCUSSION

In the letter from CBI, the Board requests that HRM:

1. Consent to the assignment of the operations and authority of Cole Harbour Place to the new entity, CHP Recreation Society, pursuant to Section 21.1 of the Management Agreement; and
2. Confirm its consent that the Society will have as its purpose the management of Cole Harbour Place, as required by the Registry of Joint Stock Companies.

As indicated in the letter, the change from a Limited By Guarantee entity to a Society provides the Board with a structure which is consistent with other Multi District Facilities, and establishes the ability for new by-laws to allow for easier transitions to leave the Board, and provides improved and more modern functions, such as communication practices.

Section 21.1 of the management agreement states:

Neither HRM nor the Board may assign any or all of its interest in this Agreement except with the consent of the other party... and provided further that HRM may arbitrarily and unreasonably withhold its consent to any assignment, in whole or in part of this Agreement, by the Board.

Staff recommend that subject to the incorporation of the new entity, (the CHP Recreation Society), Council consent to the assignment of the management agreement to the CHP Recreation Society and authorize the Chief Administrative Officer or their delegate to negotiate, execute and communicate any necessary documents or agreements that are required to affect the assignment.

In agreeing to the assignment, staff also recommend that Council confirms that the new entity may have, as its purpose, the management of Cole Harbour Place.

FINANCIAL IMPLICATIONS

No financial implications at this time.

RISK CONSIDERATION

No risk considerations were identified.

COMMUNITY ENGAGEMENT

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVE

Regional Council could choose not to consent to the assignment to CHP Recreation Society.

ATTACHMENT

Attachment 1 – Letter from Community Builders Inc. July 6, 2022

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: Bruce Chisholm, Partnership Coordinator, Community Partnerships 902.292.6973



July 6, 2022

Mr. Bruce Chisholm
Major Facilities Coordinator
Halifax Regional Municipality

Dear Bruce:

RE: Appointment of Successor

Kindly bring the following matter to those charged to deal with such matters.

The Board of Directors of Community Builders Inc. ("CBI") recently voted unanimously to wind up that entity and incorporate a society under the *Societies Act* of Nova Scotia, known as "CHP Recreation Society". ("CHP" or "the Society"). As with CBI, the purpose of the new society will be to manage the operations of Cole Harbour Place.

It is important to note that any contemplated change will not affect in any way the operations of Cole Harbour Place as they currently stand, the leases or any other aspect of its activities. Essentially, the new structure will accomplish the following purposes:

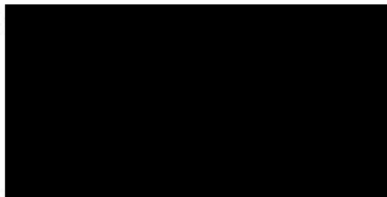
- Incorporate a society rather than a company limited by guarantee. This structure would be consistent with other MDF facilities. (e.g. Sportsplex, Canada Games).
- Establish by-laws which provide easier transitions to leave the Board, codify expectations around time served and more modern functions, such as communication. (e.g. calling meetings by e-mail).

Pursuant to paragraph 21.1 of the current Management Agreement dated January 21/22, 2019, CBI (referred to therein as "the Board") is required to obtain the consent of Halifax Regional Municipality ("HRM") if the operations and authority are to be assigned to a successor entity.

Secondly, we have been advised by the Registry of Joint Stock Companies that we require the consent of the HRM to confirm that the Society will have as its purpose the management of Cole Harbour Place.

Accordingly, we hereby request the consent of HRM to indicate the Society will be responsible for managing Cole Harbour Place in its articles when incorporating the new Society.

Should you have any questions or concerns regarding the above, you may contact me at your earliest convenience.



Chair – Community Builders Inc.