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

CALL FOR SUBMISSIONS

PID# 00481259, 80 Sandy Cove Road, Terence Bay, NS

Closing Monday July 16, 2018, end of business day at 4:30pm, local time

Halifax Regional Municipality
Grants & Contributions, Finance & ICT
1st Floor Customer Service Centre, Alderney Gate
40 Alderney Drive, Dartmouth
Nova Scotia, Canada B2Y 3N5

HALIFAX

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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:
www.halifax.ca/sites/default/files/documents/city-hall/legislation-by-laws/AO-50.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 are open to the general public with agenda and meeting schedules posted on the HRM web site:

Regional Council: www.halifax.ca/city-hall/agendas-meetings-reports?category=127

Staff report 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.

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. PROPERY IDENTIFICATION

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

PID#00481259, 80 Sandy Cove Road, Terence Bay, NS

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.

2. OFFICAL CONTACT

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

- Peta-Jane Temple, Team Lead Grants & Contributions, Finance & Asset Management at: AO50@halifax.ca

3. DATE, TIME & LOCATION OF SITE VISIT

All Applicants are invited to a meeting to visit the site on:

Friday, April 6, 2018 - 10:00 a.m. to 12:00 p.m.

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#00481259, 80 Sandy Cove Road, Terence Bay, NS. Per #5 of Administrative Order 50, property appraisals "will remain confidential until the sale is completed".

The current assessed value of the municipally-owned property is $255,300 (2017) – Land $16,800 and Building(s) $238,500. Assessed values provided by Property Valuation Services.

Tax Rates 2017-2018: Rural	Commercial 2.9550%	Residential 1.1520%
Estimated Tax 2017-2018	Commercial $7,544	Residential $2,941

5. COST OF SALE RECOVERIES

Prior to the closing of any sale transaction, the Purchaser shall be provided with an itemized invoice for closing costs. See section D 5 - **Other Relevant Information**.

6. SITE MAP AND PHOTOGRAPH



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 (see cover for application deadline).

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: www.halifax.ca/business/doing-business-halifax/community-interest-surplus-properties-disposal

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);
- 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-profit[1]. 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.

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;
    - 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/business/doing-business-halifax/community-interest-surplus-properties-disposal for further understanding of the process.

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

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.

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 for Evaluation**	Ability to demonstrate sound organizational stability, capacity, and reliability.	Application and 5-year Business Plan, including appendices.	5

F. SUPPLEMENTARY INFORMATION

1. Municipal Land-Use By-law: Planning District 4 (Prospect) Plan Area

    - Zoning documents, including summary of allowance of use.
      P-2 Community Facilities Zone
      Permitted use:

      P-2 USES PERMITTED

      Institutional Uses
      Educational institutions and uses;
      Denominational institutions and uses;
      Day care facilities;
      A single unit dwelling in conjunction with a day care facility;
      Fire and police stations;
      Government offices and public works;
      Hospitals, medical and veterinary clinics;
      Senior citizen housing;
      Public libraries, museums and galleries;
      Fraternal centres and halls;
      Community centres and halls;
      Recreation uses;
      Residential care facilities.

      Open Space Uses
      Public and private parks and playgrounds;
      Cemeteries;
      Historic sites and monuments;
      Marine related navigational aids.

2. Capital Plan Building Condition and Energy Assessments (2013)
   www.halifax.ca/business/doing-business-halifax/community-interest-surplus-properties-disposal

3. Environmental Site Assessment (2014)
   www.halifax.ca/business/doing-business-halifax/community-interest-surplus-properties-disposal

4. Potable Water Testing Results (2017)
   www.halifax.ca/business/doing-business-halifax/community-interest-surplus-properties-disposal

5. Septic Tank inspection: G&R Kelly inspected the tank January 2nd, 2018. The tank is in good condition. A fiberglass tank cover was installed to make pumping out easier.

6. Washroom repairs: new tiles replaced.