

## STAFF EVALUATION GUIDELINES

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### Administrative Order 50 – Disposal of Surplus Real Property / Community Interest

Original Implementation Date	July 3, 2015	Approved by	Director of FICT / CFO
Effective Date of Last Revision		Approved by	

**Governing Legislation:** HRM Charter (2008) s. 61 and 63 respecting property sales and s. 79 respecting grants and contributions.

**Administrative Policy:** HRM Administrative Order 50 (2013).

**Purpose:** Properties declared surplus to the Municipality’s requirements, as approved by Regional Council under s. 3 (6) of Administrative Order 50 and assigned to the Community Interest category, shall be evaluated by an cross-disciplinary team in accordance with criteria set out in the policy. Section 4 (c) (f) requires the development and application of scoring criteria and the availability of such criteria to the general public.

**Application of Guidelines:** Guidelines shall be applied in a consistent and equitable manner to all submissions with oversight provided by HRM Grants & Contributions staff. In circumstances where subject-specific expertise may be required by the cross-disciplinary team, such resources may be enlisted by Grants & Contributions staff through an impartial selection process and in accordance with conflict of interest guidelines.

**Amendments to Guidelines:** Amendments to these guidelines shall reflect any substantive change in policy (Administrative Order 50) and are subject to the approval of the Director of Finance & ICT.

**Purpose of Guidelines:** These guidelines constitute standard of evaluation and are intended to direct the cross-disciplinary evaluation team in the execution of a transparent, consistent, and objective process.

**Notification of Guidelines:** The general public shall have access to these guidelines through the HRM website and to applicants through a public Call for Submissions process.

**Operational Definitions:** With respect to the application of these guidelines:

- (a) “The Municipality” shall mean Halifax Regional Municipality and is not construed to mean a defined geographic area.
- (b) “Benefit to the Municipality” means a benefit, tangible or otherwise, to Halifax Regional Municipality.
- (c) “Viability” means an applicant’s probability of success and continuing effectiveness as demonstrated in their written proposal.
- (d) “Compensation” means financial consideration through the payment of money or exchange of real property and shall exclude any consideration of reparation, grievance, or indemnification.

- (e) “Content Compliance” means that the applicant has met the requirements of policy as set out in section 4(e) of Administrative Order 50 and any additional requirements specific to the subject property issued through an open Call for Submissions.
- (f) “Appraised Market Value” means the probable sale price realized by the conveyance of the property in the open market without concessions as determined by an independent, accredited appraiser.
- (g) “Non-Profit Organization” means
  - i. A society pursuant to the Societies Act (1989);
  - ii. A non-profit association pursuant to the Co-Operative Associations Act (1989);
  - iii. A not-for-profit corporation pursuant to the Canada Not-for-profit Corporations Act (2009);
  - iv. A non-profit organization pursuant to an Act of the Nova Scotia Legislature;
  - v. A charity registered under the Income Tax Act (Canada).

**Information for Staff Evaluation Process:**

1. Each member of the cross-disciplinary team shall apply these guidelines in their evaluation of an applicant’s submission.
2. To protect the integrity of the process internal and external reviewers shall sign a conflict of interest and confidentiality agreement.
3. The names of reviewers shall not be a matter of public record.
4. Applicants shall receive information in an identical manner at the same time. No party shall receive preferential consideration from a member of HRM staff, elected official or external reviewer.
5. Evaluations shall be in writing with the reviewer’s contact information and retained on file by HRM Real Estate for a period of seven (7) years.
6. HRM Grants & Contributions staff shall convene a cross-disciplinary review team the composition of which shall include technical representation (financial, community resource expertise).
7. The staff evaluation committee may request qualified external expertise in circumstances which require it.
8. The staff evaluation committee will summarize the evaluation results for all submissions and present them to Regional Council. The report summary should include the advisability and any terms of a suggested Buy Back Agreement, as well as, the potential financial implications to the Municipality of each application, including future possible tax consequences or cost savings. Further consideration by Council, based on Administrative Order 50 (i) criteria, will result in a decision on how they wish to proceed either with a public hearing or with a change in surplus disposal category.

**Table A. Community Interest Category: Evaluation Criteria**

Evaluation Priorities	Intended Outcome	Screening Criteria	Applicant Submission Content	Evaluation Considerations	Weighting (score)
<b>Benefit to the Municipality</b>	<b>Maximizing the Public Benefit</b>	HRM Charter s.63(1) : Less than market value sale to a non-profit organization if Council considers them to be carrying on an activity that is beneficial to the Municipality	Municipal benefit explained.  Scale and type of program or service.	-A benefit can include a financial outcome as well as qualitative interests (i.e. housing, tourism, arts, culture and heritage, or the Municipality's profile nationally or internationally). Applications must sufficiently describe and support the need for programs or services to be offered either on site, or administered from subject property.	<b>30</b>
<b>Viability</b>	<b>Probability of Acquisition and Operational Success</b>	Evaluation of default risk.  Test of assumptions, claims, and projections.  Analysis of revenue and expenditure projections.	Past experiences and successes.  Previous Financial Statements and Supporting Notes, if available.  Projected Financial Plan for the 5-year Business Plan.  Capital Expenditures Plan.	-Demonstrate due diligence (building inspection and safety of the site for the general public, ability to pay closing costs, terms and conditions of any third party financing).  -Ability to meet proposed program or activity outcomes.  -Financial statements for the prior year (and up to three years, if available) should provide full disclosure of revenue and expenditures, assets and liabilities in order to assess the financial status of the organization including default risk.  -Demonstrates the degree of ability to purchase, operate and recapitalize property sustainably.  -Revenue and expenditure projections contained in the 5-year Business Plan should be well substantiated <sup>1</sup> .  -The applicant will ensure review of Municipal zoning by-laws and applicable allowances pursuant to the Call for Submissions.	<b>50</b>

<sup>1</sup> If an applicant is dependent upon a third party funding for a substantial percentage of its revenues, HRM may contact the applicable funding agency or program to confirm the stability of funding. This information must be disclosed and explained as part of the application in the Business Plan.

Evaluation Priorities	Intended Outcome	Screening Criteria	Applicant Submission Content	Evaluation Considerations	Weighting (score)
<b>Compensation</b>	<b>Terms of Offer</b>	Maximizing revenue from sale.	Compensation in relation to appraised market value.  Any cost savings to HRM.	<ul style="list-style-type: none"> <li>-The difference between the appraised market value and the applicant's offer.</li> <li>-Assessment of any holding costs or contingencies or conditions in relation to the offer (i.e. closing subject to confirmation of financing through a financial institution, government grant, or proposed fund-raising campaign).</li> <li>- Any offer to pay for costs associated with the disposal of the subject surplus property.</li> </ul>	<b>15</b>
<b>Content Compliance</b>	<b>Sufficient Information for Evaluation</b>	Ability to demonstrate sound organizational stability, capacity, and reliability.	Application and 5-Year Business Plan, including appendices.	<p><i>Documentation per AO50 4.(1)(e):</i></p> <ul style="list-style-type: none"> <li>-Proof of non-profit registration<sup>2</sup> ;</li> <li>-Articles of incorporation, if applicable;</li> <li>-The organization's purpose/mission;</li> <li>-Organizational management structure, including officer-bearers or a list of Board of Directors;</li> <li>-Financial statements and other supporting documentation to substantiate the organization's ability to support defined goals;</li> <li>-A description of program or service, intended use, related skills and experience, and previous property ownership or tenancy experience<sup>3</sup>;</li> <li>-A clear statement of the terms the group is prepared to offer for the purchase or lease of the property.</li> </ul>	<b>5</b>

<sup>2</sup> Applicants have a minimum of 90 days and maximum of 120 days from the Call for Submissions publication to submit an application and provide proof of registered status, per Admin Order 50.

<sup>3</sup> If the applicant has no prior experience, the composition of the Board of Directors or a designated committee, consultant or professional assistance may be used as an alternative.