

HALIFAX

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

Item No. 9.1
Halifax Regional Council
June 13, 2017
August 15, 2017

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: May 23, 2017

SUBJECT: Bloomfield Property Disposal Process

ORIGIN

This report originates with:

- August 11, 2009, Regional Council approval in principle of the Bloomfield Master Plan;
- January 9, 2012, staff presentation to Peninsula Community Council on the Implementation strategy for the Bloomfield redevelopment project;
- May 14, 2012, Peninsula Community Council Report regarding update on issuance of Bloomfield RFP and recommended approach and criteria;
- December 11, 2012, Council motion, moved by Councillor Watts, seconded by Councillor Mason that Halifax Regional Council:
 - Declare the Bloomfield Property, located at 2748-86 Agricola St. Halifax, surplus to municipal requirements;
 - Authorize the Mayor and Municipal Clerk to enter into an Agreement of Purchase and Sale with the highest scoring proponent to RFP No. P12-044B, Nova Scotia Housing Development Corporation or assignee, subject to the minimum key terms and conditions outlined in Table 1 of the November 19, 2012, staff report; and
 - That any amendment to land use regulation for this site be carried out through a site specific Municipal Planning Strategy amendment and Development Agreement;
- January 26, 2016, Council motion requesting a staff report on the status of the Bloomfield Purchase and Sale agreement with Housing Nova Scotia;
- March 22, 2016, Information Report and subsequent motion from Council directing staff to hold discussions with Housing Nova Scotia concerning the current Agreement of Purchase and Sale and development of the property and report back to Council by May 24, 2016 with recommendations and options to either terminate or conclude the Agreement of Purchase and Sale;
- May 24, 2016, 16.1.1 Agreement of Purchase and Sale, Bloomfield Property – Private and Confidential Report, moved by Councillor Watts, seconded by Councillor Mason, regarding a private and confidential staff recommendation report dated May 18, 2016:
 - That Halifax Regional Council direct staff to defer sale of the property until the conclusion of Centre Plan process and to report back to Council at the appropriate time with disposal options for the property pursuant to Administrative Order 50; and,
 - To include a report on how the Bloomfield Master Plan and tangible municipal requirements developed for the initial RFP will be incorporated into the disposal options.

RECOMMENDATION on Page 2

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, Chapter 39, and Section 61(5): The Municipality may (b) sell property at market value when the property is no longer required for the purposes of the Municipality.

Halifax Regional Municipality Charter, Chapter 39, and Section 233: (1) The Municipality may (a) acquire and assemble land for the purpose of carrying out a development consistent with the municipal planning strategy, whether the development is to be undertaken by the Municipality or not; or (b) by agreement with the owners of the land, acquire the right to impose easements or other development restrictions on the lands as if it had acquired the title; (2) The Municipality may subdivide, rearrange and deal with lands described in clause (1)(a) as if it were a private owner and may sell the lands subject to any building restrictions or easements that the Council requires to ensure the development is consistent with the municipal planning strategy.

RECOMMENDATION

Subsequent to Regional Council's May 24, 2016 approval of the termination of the Agreement of Purchase and Sale of the Bloomfield Property with Nova Scotia Housing Development Corporation for the mixed use development of the Bloomfield property in accordance with Request for Proposal P12-044B, it is recommended that Halifax Regional Council:

1. Categorize the Bloomfield Property, located at 2748-86 Agricola Street, as Economic Development, pursuant to Administrative Order 50 Respecting the Disposal of Surplus Real Property;
2. And direct staff to explore incorporating the following principles of the Bloomfield Master Plan concept through a combination of plan policies and/or as conditions of sale:
 - 10,000 square feet of commercial market space, targeted to creative industry;
 - 20,000 square feet of affordable community and cultural space; and,
 - 20 percent of the site as open space, public and private; and,
3. Explore incorporating affordable housing, as a condition of sale, consistent with policy direction to be set out in the Center Plan.

BACKGROUND

The Bloomfield site occupies 3.28 acres and is designated Park and Institutional under the Halifax Municipal Planning Strategy (MPS), with Park and Institutional (P) zoning, under the Halifax Peninsula Land Use By-Law (LUB). Residential and commercial uses proposed for the development are specifically excluded from the P Zone. There are three buildings on site totaling 90,000 square feet of floor area: the Main Bloomfield building (c.1971), the Commons building (c.1919), and the Fielding building (c.1929). Annual operating costs for the property, as decommissioned and unoccupied, are approximately \$90,000.

On December 11, 2012, Council declared the Bloomfield property surplus to municipal requirements and entered into an Agreement of Purchase and Sale with Nova Scotia Housing Development Corporation for the mixed-use development of the property in accordance with RFP P12-044B.

On April 15, 2016, following a meeting between the Premier and the Mayor, the Province advised of its intent to not proceed with the project, resulting in the termination of the Agreement of Purchase and Sale.

The Province advised, at the time, that their decision to terminate the agreement was based on an assessment that the scale of the redevelopment would expose taxpayers to higher-than-acceptable levels of risk, and that future development of Bloomfield would be best achieved by private sector development.

Following the Province's decision not to proceed with the Agreement, and on May 24, 2016, Regional Council approved the following motion, to which this report responds:

16.1.1 Agreement of Purchase and Sale, Bloomfield Property – Private and Confidential Report, moved by Councillor Watts, seconded by Councillor Mason, regarding a private and confidential staff recommendation report dated May 18, 2016:

- That Halifax Regional Council direct staff to defer sale of the property until the conclusion of Centre Plan process and to report back to Council at the appropriate time with disposal options for the property pursuant to Administrative Order 50; and,
- To include a report on how the Bloomfield Master Plan and tangible municipal requirements developed for the initial RFP will be incorporated into the disposal options.

DISCUSSION

Staff has completed a review of the file from a go-forward perspective as it relates to Centre Plan progress, condition of buildings/potential demolition, current property valuation, and timing of the future sale of the property. Each of these matters is discussed below, followed by a summary of next steps.

Planning Context - Bloomfield Master Plan (2009) and Centre Plan (2016-17)

The initial request for proposals (RFP) for Bloomfield was developed in 2012 to include the “design principles” from the Bloomfield Master Plan (2009). The RFP served as a bridging tool intended to reach certain policy outcomes to be in place for the property in the absence of a ‘Centre Plan’. Figure 1, below, demonstrates the alignment and evolution of the Bloomfield Master Plan principles with that of the Centre Plan today.

Staff are recommending that the property sale follow the adoption of Centre Plan policies for the area. This will provide for greater certainty as to what can ultimately be developed.

The tangible, municipal minimum requirements requested of developers by Community Council during the initial 2012 RFP were:

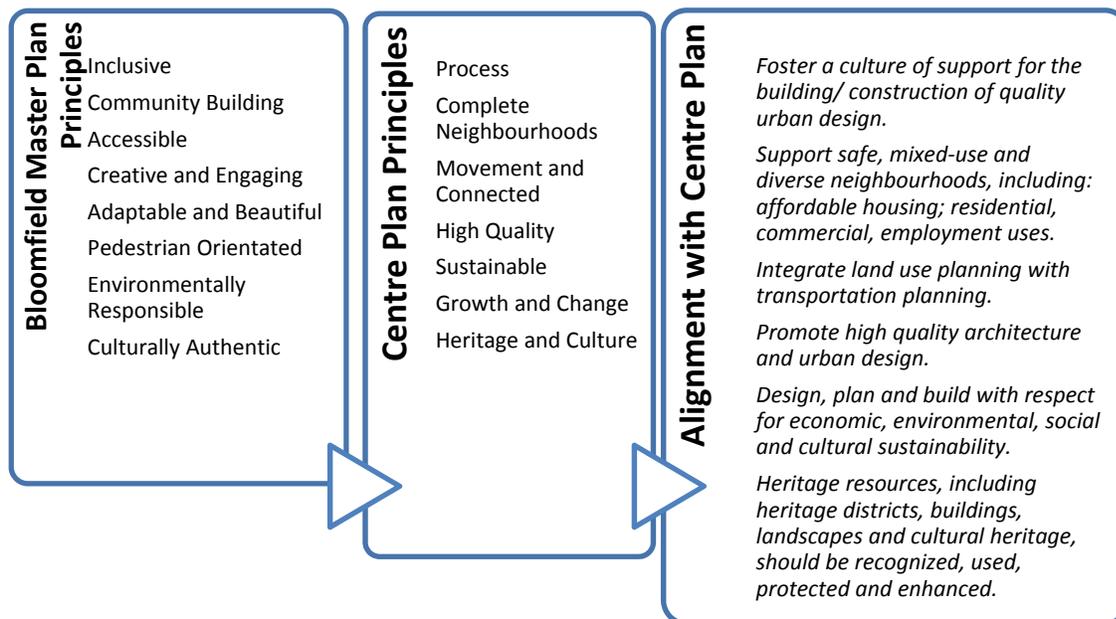
- 10,000 square feet of commercial market space, targeted to creative industry;
- 20,000 square feet of affordable community and cultural space; and,
- 20 percent of the site as open space, public and private.

Staff are proposing that the above requirements, stemming from the Bloomfield Master Plan concept and RFP, be sought through a combination of plan policies and/or as conditions of sale for the property.

Housing Mix and Affordability:

In addition to the above desired outcomes the Centre Plan will include specific policy direction to include affordable housing as a component of HRM land sold for residential development in the regional center.

Figure 1



Building Condition and Potential Demolition

There are three Buildings on the site totaling 90,000 square feet of floor area: the Main Bloomfield building (c. 1971), the Commons building (c.1919), and the Fielding building (c.1929). Annual holding costs for fiscal 2016/17 are estimated at \$90,000.

Staff completed necessary condition assessments for the Fielding and Commons buildings to ensure that these structures are stable, along with advancing a demolition program for the Main Bloomfield building. However, demolition has not yet been advanced due to anticipated near-term approval of the Centre Plan, and the potential disposal of the site within the current fiscal year. It is conceivable that a buyer for the property could be found much sooner than the time it would take the municipality to plan and mobilize demolition of the buildings.

Although neither the Fielding nor Commons buildings are registered heritage properties, the Bloomfield Master Plan identified their heritage value and sought to have elements of the buildings incorporated into future development.

Valuation and Marketing of the Property for Sale

The marketing and listing process for the property is anticipated in 2017, with the sale following Regional Council's anticipated approval of plan amendments and land use by-laws, as proposed under Centre Plan. The highest value can be achieved if the property is sold post-Centre Plan, when policies and the land use by-law are certain, not speculative. The final terms of sale of the property is subject to a further report to Council for authorization of final terms and conditions of any agreement of purchase and sale.

Potential for School Use

On December 16, 2015, the Halifax Regional School Board (HRSB) initiated a school review, which was undertaken by a School Options Committee (SOC)¹, among the Citadel High Family of Schools situated in

1 A School Options Committee is a multi-stakeholder committee formed to support the school board in conducting a school review; its work is governed by a mandate given to it by the school board (i.e., a formal process whereby a group

the north half of Halifax peninsula. Although site selection is not within the SOC's scope, its final report made reference to the Bloomfield property as having positive attributes, but no recommendations were made in regard to the future of the site. HRSB also does not make reference to Bloomfield in its Staff Technical Report (i.e., made subsequent to the SOC's Final Report and Recommendations), nor has the Department of Education indicated to the municipality that interest exists in acquiring the property for purposes of a new HRSB school.

However, Conseil Scolaire Acadien Provincial (CSAP) seeks to establish a P-12 school on the Halifax peninsula and have expressed an interest in the Bloomfield property. As a result, the Mayor, Councillor Mancini, and municipal staff met with representatives of CSAP, Francophone Centre, and University of Sainte Anne on April 18, 2017 to review municipal surplus properties in peninsular Halifax and downtown Dartmouth. Staff continue to have discussions with CSAP respecting its interest in the Bloomfield property, specifically the potential of reserving Bloomfield for CSAP school and day care purposes. Administrative Order 50 offers an Inter-governmental Transfer category by which properties may be disposed at market value for public use; in this case, therefore, another level of government would be required to acquire the municipal property on behalf of CSAP.

FINANCIAL IMPLICATIONS

The Municipality continues to incur operating costs of \$90,000 per annum for the property. Furthermore, the continued delay in the sale of the property has delayed revenue from sale proceeds to be deposited to reserves and realty taxes.

Net proceeds of the property's sale will be transferred to the Strategic Capital Reserve, Q606.

Budget Summary, Opportunity Reserve-Strategic Capital Reserve, Q606

Balance in Reserve, March 31, 2017	\$ 48,520,301
Budgeted contributions to reserve to March 31, 2018	\$ 46,040,300*
Commitments to March 31, 2018	<u>\$(67,662,584)</u>
Projected net available balance, March 31, 2018	\$ 28,898,017

*The contributions budgeted for 2017/18 include the anticipated sale of Bloomfield with a contribution amount in excess of \$10M.

Q606, Strategic Capital Reserve.

To provide funding for large capital projects that are strategic in nature. Projects should be consistent with long term policies, and capital planning initiatives outlined in the Strategic Capital Planning and Infrastructure and Arena Consolidation Strategy reports/presentations of July 2014. Funding to the reserve are the net proceeds of the sale of specific properties as approved by Council and includes the sale of Bloomfield. Withdrawals from the reserve, as outlined in the report of July 2014 include items such as Dartmouth Multi-Pad, Dartmouth Sportsplex and Cogswell Interchange.

RISK CONSIDERATION

With the termination of the Agreement in 2016, there remain operational risks and liabilities with retention of vacant land and structures. This is mitigated by undertaking updated assessment work on the two older buildings, and taking steps to delay further deterioration where reasonable. If the property were to be retained for a longer duration, demolition planning for the main building would be recommended.

of schools, or in exceptional circumstances, a single school, is considered by an SOC mandated to explore various solutions to an identified issue/s; school closure is one possible outcome.) Source: <http://www.hrsb.ca/school-review/citadel-high-family-schools-phase-1>

COMMUNITY ENGAGEMENT

Halifax Regional Council adopted, in principle, the conceptual master plan for the Bloomfield property in 2009. This plan was supported by extensive public consultation. Furthermore, the property is subject to the required public consultation as part of HRM's Centre Plan process.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this matter at this time. Condition and environmental assessments will be completed as part of demolition (if demolition was to be planned) and disposal processes.

ALTERNATIVES

Regional Council may:

1. Select an alternative category for the Bloomfield Property, as per Administrative Order 50, (i.e., Ordinary, Community, or Intergovernmental), and to proceed with the disposal as set out under the Administrative Order;
2. Direct staff to include additional components or principles from the Bloomfield Master Plan as conditions of sale, or none at all, rather than those recommended in this report, specifically:
 - a. 10,000 square feet of commercial market space, targeted to creative industry;
 - b. 20,000 square feet of affordable community and cultural space; and,
 - c. 20 percent of the site as open space, public and private.

ATTACHMENTS

None

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: Rudy Vodicka, Project Manager, Corporate Real Estate, Finance and Asset Management,
902.476.8183
