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**Item No. 1**  
**Halifax Regional Council**  
**February 27, 2018**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed

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Jane Fraser, Director Corporate & Customer Services

**DATE:** January 22, 2018

**SUBJECT:** Bloomfield Property Winter 2017/18 Condition

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### **INFORMATION REPORT**

#### **ORIGIN**

This report originates with: August 15, 2017 (deferred from June 13, 2017), Item 9.1 Bloomfield Property Disposal Process, whereby Regional Council approved the following Motion:

That Halifax Regional Council:

1. Categorize the Bloomfield property as Inter-governmental pursuant to Administrative Order 50 (AO50), and direct staff to negotiate the sale of a portion of the property (as shown in green on the plan [attached to the report dated May 23, 2017]) to the Province for a new school site at fair market value as supported by appraisal to be commissioned by Halifax Regional Municipality (HRM). The Province shall have 120 days from the date of written notice from HRM to enter an Agreement of Purchase and Sale for the property. In the event the Province declines the opportunity; the land shall be categorized as Economic Development and disposed of pursuant to AO50;
2. Categorize the balance of the Bloomfield property (as shown in blue on the plan [attached to the report dated May 23, 2017]) as Economic Development pursuant to AO50, and direct staff to consult with Imagine Bloomfield to incorporate key elements and principles of the Bloomfield Master plan as terms and conditions of any sale, specifically including:
  - I. A minimum of 10,000 square feet of commercial market space, targeted to creative industry;
  - II. A minimum of 20,000 square feet of affordable community and cultural space;
  - III. A minimum of 20 percent of the site as open space, public and private; and,
  - IV. That the Fielding Building be considered as the site for any cultural hub component.
3. Explore the potential to reinstate Bloomfield Street (as shown in yellow on the plan [attached to the report dated May 23, 2017]), either as a public or private right-of-way as part of the redevelopment of the site; and
4. Direct the CAO to return to Regional Council with a report and recommendations regarding stabilizing and maintaining the Fielding Building and Common Building for winter 2017/18 and;
5. Explore incorporating affordable housing, as a condition of sale, consistent with policy direction to be set out in the Centre Plan.

## **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.

## **BACKGROUND**

The Bloomfield site occupies 3.28 acres. Currently, 90,000 square feet of floor area consist of three buildings on site: Bloomfield Main building (c.1971), the Commons building (c.1919), and the Fielding building (c.1929). There continues to be financial implications related to on-going costs of maintenance. Annual operating costs, as decommissioned and unoccupied, are approximately \$75,000.

The site 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). The property is being considered for plan amendments under the Municipality's Centre Plan to support mixed-use development. The intent is to market and close on the sale of the property following Council's adoption of new plan policies and land use bylaw for the property.

This report provides Regional Council with an update specific to recommendation four (4.) of the motion approved at the August 15, 2017 meeting of Regional Council:

4. Direct the CAO to return to Regional Council with a report and recommendations regarding stabilizing and maintaining the Fielding Building and Common Building for winter 2017/18.

## **DISCUSSION**

In 2014/15, facility maintenance staff winterized all three buildings; draining all pipes and water lines. All three facilities were on a centralized heating system, therefore, all three had to be decommissioned at the same time.

Electricity remains on for Security and Fire Alarm protection.

Local residents and businesses used the area for parking since the closing of the facility in 2012. In December 2017, staff discontinued on-site parking due to safety concerns around the continued deterioration and falling brickwork from the Commons and Fielding Buildings. Leaks and roof deterioration plague all three buildings.

Impactful stabilization of the Fielding and Common buildings would require injection of capital funds. In order to determine the extent of the deterioration of the buildings and the scope of stabilization, a full building condition assessment and engineering study would have to be carried out. The estimated cost of the assessment and study is in the range of \$60k. Given Regional Council's direction to dispose of the property, currently planned for 2018, it is not recommended that a budget allocation be considered for fiscal 2019/20. Reuse of the Fielding Building will be encouraged by way of proposal call for the property's disposal, in

support of Regional Council's August 15, 2018 motion, specifically item 2. IV. That the Fielding Building be considered as the site for any cultural hub component.

**FINANCIAL IMPLICATIONS**

Holding costs for all three buildings:

2014/15	=	\$256,000 (prior to winterized/decommissioned)
2015/16	=	\$ 77,000
2016/17	=	\$ 74,000
2017/18 YTD	=	<u>\$ 39,000</u>

Total holding costs Since 2014/15	=	\$446,000
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On-going operational costs are funded through W169 – Transitional Property.

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, January 31, 2018	\$ 23,555,279
Projected revenue to Reserve to March 31, 2018	\$ 2,430,746*
Commitments to March 31, 2018	<u>\$(37,312,911)</u>
Projected net available balance, March 31, 2018	\$(11,326,886)

\*The contributions budgeted for 2017/18 included the anticipated sale of Bloomfield with a contribution amount of more than \$10M.

The reserve is projecting a negative net available balance due to planned revenue to the reserve in 2017/18 that is now not projected to be realized until 2018/19 fiscal year. As no reserve is to be in a negative balance, accounting monitors the balance in reserve to ensure this does not happen. The negative balance in the reserve, is due to timing of cash flow. The projected revenue originally for 2017/18 is now included in the 18/19 proposed reserve budget.

If the sale of properties do not transpire, and the revenue to the reserve does not materialize, a report to Council will be required to approve alternate funding to the capital projects currently committed to be funded from the reserve. Alternatives such as reduction of the capital projects, funding from debt, capital from operating, or the utilization of a different reserve would be considered, if required.

**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.

**COMMUNITY ENGAGEMENT**

N/A

### **ENVIRONMENTAL IMPLICATIONS**

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

### **ALTERNATIVES**

There are no alternatives at this time.

### **RISK CONSIDERATIONS**

All three buildings on the site continue to deteriorate to a point where the structural integrity continues to be compromised. The main building roof is leaking and with significant snow load, the potential for a structural failure of the roof exists. The brickwork is crumbling on all three buildings and continues to be a hazard.

The longer the facilities remain unmaintained, the higher the liability to HRM.

### **ATTACHMENTS**

Nil

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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