

HALIFAX

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

Item No. 14.1.6
Halifax Regional Council
March 6, 2018

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: February 20, 2018

SUBJECT: **4032 Mooseland Road**

SUPPLEMENTARY REPORT

ORIGIN

October 6, 2015 Regional Council Motion:

MOVED by Councillor Hendsbee, seconded by Councillor Adams that Halifax Regional Council:

1. Declare the properties contained in Attachments B, C, D and E of the staff report dated September 2, 2015, as surplus to municipal purposes;
2. Declare surplus properties categorized as specified in Attachments B, C, D and E of the staff report dated September 2, 2015, for the purposes of Administrative Order 50, respecting the Disposal of Surplus Real Property.
3. That the property at 4032 Mooseland Road as set out in Attachment B be removed from the list for further discussion with the community group in relation to a Facility Lease Agreement (FLA). **Amended Motion Put and Passed Unanimously**

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter: Section 63 Sale or lease of municipal property: 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. (2) A resolution to sell or lease property referred to in subsection (1) at less than market value shall be passed by at least two thirds majority of the Council present and voting.

Section 79 (1) (av) (v); Halifax Regional Council may expend money required by the Municipality for...(av) a grant or contribution to...(v) any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational religious, sporting or social organization within the Province.

Administrative Order 50, Respecting the Disposal of Surplus Real Property

...Recommendation on Page 2

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Declare the municipal property at 4032 Mooseland Road, PID 40877581, as shown in Attachment A, surplus to municipal requirements; and
2. Categorize the recommended surplus property as 'Community Interest', according to Administrative Order 50.

BACKGROUND

The Mooseland Community Centre is a former school converted to a community fire hall. The Mooseland Volunteer Fire Department (MVFD) leased the facility from the County of Halifax to provide fire services for the area and to operate the building. Halifax Regional Fire and Emergency took over provision of fire services in 1996. In 2001, the MVFD assigned their lease to the Mooseland and Area Community Association (MACA) to continue operating the hall for community use. In 2003, the MVFD defaulted with the Registry of Joint Stocks as the organization had ceased operation. Subsequently, Halifax Regional Fire and Emergency decommissioned the fire station operation in 2013, leaving the MACA operating the facility for their own use only.

As required by the Administrative Order 50 process (Respecting the Disposal of Surplus Real Property), Parks and Recreation, in addition to all HRM business units, reviewed the property at 4032 Mooseland Road and determined there is no municipal requirement for the building. As a result, at the October 6, 2015 Regional Council meeting, the property was included in the report which outlined potential properties to be declared surplus under Administrative Order 50 under the Community Interest category (Attachment A). Regional Council removed the property from the list and directed staff to meet with the MACA regarding a Facility Lease Agreement.

DISCUSSION

Facility Lease Agreement

A Facility Lease Agreement (FLA) is an alternate service delivery model through which HRM offers recreation programming by a community group using a HRM-owned facility. The FLA model is common for neighbourhood community centres (Category 1 facilities) such as:

- Beaver Bank Community Centre;
- East Dartmouth Community Centre;
- Lake Echo Community Centre; and
- Prospect Community Centre.

The FLA management model recognizes the ongoing responsibility of the Municipality as the owner of a facility, but provides possession and occupation of the facility to the community group to provide a variety of programs and services. As part of the agreement, the community group is then required to ensure the availability of the facility for public and community use and to provide a certain level of recreation programming consistent with municipal programming. The intended outcomes of the FLA model include:

- Access, engage and mobilize community skill sets required for facility management and program delivery;
- Build, strengthen and sustain community capacity of the volunteer organization offering community programming and facility management;
- Provide an opportunity for community organizations to collaborate and deliver approved services through an alternative service delivery approach;
- Maximize potential use of facility;
- Promote public use of HRM facilities;

- Safeguard the HRM assets; and
- Respond to local community recreation, social and cultural needs.

Under the FLA program, as the owner of the building, HRM is responsible for all capital building costs. The community group is responsible for all administration, programming and operating costs of the facility with such costs primarily being offset by revenue. Through the FLA program, HRM also provides contribution funds to the groups, which are annual operating funds allocated in recognition of the group's provision of recreation programming, based on the size and configuration of the building.

Recreation Standards

In 2008, Regional Council approved the Community Facility Master Plan (CFMP) which indicates that, "service providers need to be aligned in order to maximize their financial viability, and to minimize competition between service providers. CFMP criteria for Category 1 facilities (community centres) suggest a best-case scenario of approximately 15,000 residents to form a strong population base per facility, along with an expectation of a five-to-ten minute drive time." The Mooseland and area population is far below this standard and would be categorized within the rural drive time target of 30 minutes to a community centre or hall. The closest municipally owned facilities are Musquodoboit Valley Bicentennial Theatre (39kms), Sheet Harbour Lions Centre (40kms - currently closed), and the Samuel R. Balcom Community Hall (40kms), which all fall within the 30 minute travel time standard.

The updated CFMP2, approved by Regional Council on February 8, 2017, confirmed through community engagement and research, that the rural drive time of 30 minutes to a local community centre or hall is still an acceptable standard.

The Eastern Shore Recreation needs assessment, presented to Regional Council on October 6, 2015, found that while the communities along the Eastern Shore are purposely separate in order to retain their unique identities, they are experiencing difficulty sustaining their respective facilities. It further indicated that there is currently more facilities per-capita than recreation standards outline, and it recommends developing a more appropriate model for the delivery of recreation services and programs in existing facilities. The CFMP2 confirmed that finding, resulting in a recommendation for completion of a rural recreation strategy.

Mooseland and Area Community Association

As directed by Regional Council, staff met with members of the MACA to discuss a possible FLA for the facility. The Chairperson indicated the village of Mooseland and the surrounding area is aging and younger people are moving away. The MACA board has 4 members, but not all reside within the community. There is concern that the requirement to provide recreation programming, in addition to operation of the facility, would be difficult for the volunteer board to manage given the board's low volunteer base.

The MACA estimates the community of Mooseland has approximately 100 residents. This population level puts the area well below the best case scenario threshold set out in the CFMP for a sustainable facility which is approximately 15,000 residents. Through discussion with the MACA, the main use of the hall is an occasional gathering space for community events and rentals. While these opportunities are valuable to the community, there is not sufficient recreation programming occurring in the building to consider it alternative service delivery. Currently, the facility does not operate on a daily basis as there is no demand for regular, recurring programs or activities. Scheduling of the facility is infrequent and usually for single use. The board may not have the capacity to initiate and sustain programming in the building on a more regular and frequent basis.

An analysis of the financial records supplied by the MACA (Attachment B) shows annual revenue for 2013 of \$7,100, with expenses of \$8,171. In 2014, the revenue was \$10,100, compared to expenses of \$8,047. These revenues and expenses do not include the project they undertook to drill a new drinking water well, for which they received some funding through the Councillor District Capital Fund. The Chairperson also indicated that the group had a cash reserve of \$9,600 as of December 31, 2014. The 2016 operating expenses provided by the MACA (Attachment C) indicate operating expenses exceeded revenue for the year ending 2016, although the group did have a cash reserve of \$9,407. While some operating expenses

have been covered by MACA, under a FLA agreement, the group would be responsible for all operation, maintenance and insurance requirements which have not been required to date and, as a result, are not factored into those budgeted expenditures. The maintenance costs for the facility in 2013 were \$11,653 and \$11,160 in 2014. Those costs were paid by HRM at that time, but would become the responsibility of the group under a FLA.

In discussions, MACA indicated their preference is for the building to remain owned and maintained by HRM but with MACA having access to the facility under an agreement as they expressed concerns regarding their long term ability to maintain the building and grounds.

4032 Mooseland Road

As noted, the facility is a former school which was subsequently used as a community fire hall. It was constructed in 1964, with the apparatus bay expansion added in 1985. A building condition assessment was completed in 2013, which indicated the building requires various upgrades in the short term (five years) including:

- New furnace and oil tank;
- New vinyl siding;
- Replace all site lighting;
- Replace septic field lines;
- Replace VCT tiles; and
- Bathroom fixtures.

The assessment outlined high level cost estimates for the repairs based on visual inspections. It is not unusual for buildings of this age to require extensive additional costs once actual repairs are initiated. The estimated costs of all of the issues identified above were \$26,500 in 2013. However, HRM had to replace the furnace, oil tank and hot water tank in 2017, at a cost of approximately \$14,000.

In addition to the facility located on the property, there is also a helipad which is maintained by the MACA. The MACA provides ground keeping and mowing. In addition, they are responsible to ensure the landing lights are in working order and ensure replacements are provided. There is no municipal need identified for a helipad at this location, nor is the facility designated as a municipal shelter facility for emergency purposes. It appears that the helipad was established without HRM approvals.

The helipad is an approved day and night landing zone for Emergency Health Services (EHS) (Lifelight), which is a Provincial responsibility. EHS Lifelight has indicated there is no capacity to take over the helipad. Further, they indicated that if the helipad is not maintained it would be removed from their list of approved landing zones. However, Lifelight records indicate there have been no landings on the helipad since the opening of the location in 2012.

Summary of Review

Based on the proposed use and interest of the MACA, the facility would not meet the criteria for a FLA due to the following:

- MACA outlined concern about their long term stability and sustainability due to the local demographics;
- Financial ability of the MACA to support the overall operation of a facility (Attachments B and C) through a FLA; and
- With little to no programming provided that would be considered municipal recreation, the services offered at the facility are not considered alternative service delivery for municipal recreation programming.

The MACA has indicated that they would be interested in an agreement that would provide them with access to the facility with the majority of operating costs remaining with HRM. The MACA has also indicated that they do not feel there is sufficient capacity to expand the programming offerings required under a FLA.

The building assessment completed in 2013 indicates the facility requires capital reinvestment to maintain a state of good repair. As noted above, annual operating expenses currently are in the range of \$8,000. Insurance requirements for operating this facility would cost the group approximately \$1,700 annually, resulting in an estimated total annual operating expenses of \$9,700. While the 2014 revenues of \$10,136 would be sufficient to offset the current operating expenses, there would be limited ability to manage additional operating expenses, unexpected expenses or reduced revenue. The 2016 financials provided by the group indicate a drop in revenue to \$6417.53 compared to expenses of \$7,704.36. There is a surplus which could be used to offset the 2016 deficit however it would be unlikely the group could maintain and operate this facility without additional funding from HRM.

Conclusion

As there is no municipal requirement for the building, HRM would not be in a position to enter into an alternate service delivery agreement with a community group. Further, since the group has indicated a concern with being able to meet the necessary requirements under the FLA program, consideration of a facility lease agreement for this facility is not warranted. However, there is community interest in the use of the property and staff recognizes the seclusion of the area and thus the desire within the community to maintain this unique asset that enables the community to have some access.

Therefore, it is recommended that Regional Council declare the facility surplus to municipal requirements and categorize the property as "Community Interest" under Administrative Order 50. Processing the property through the community stream of AO50 would verify any overall community interest in the property and allow all community groups an equitable opportunity to potentially pursue community use.

FINANCIAL IMPLICATIONS

Should Regional Council opt to declare the property surplus, it would continue to be maintained by HRM until disposal. As noted, the approximate annual maintenance costs for the building are \$12,000, the bulk of which has been covered by HRM.

RISK CONSIDERATION

Under any operating agreement HRM would remain the owner of the property and building and, as such, would continue to carry risks related to the operation and programming of the facility. Further, the municipality would assume additional risk as owner of a property housing a helipad. This creates considerable exposure for the municipality with the limited capacity of the volunteer board to ensure the facility and helipad are properly maintained. This risk to HRM could be mitigated through disposal of the property.

COMMUNITY ENGAGEMENT

Community members make up the Mooseland and Area Community Association.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

Alternative 1: Regional Council could choose to not surplus the property and direct staff to enter into a less than market value lease with the Mooseland and Area Community Association for the Mooseland Community Centre. Should Regional Council proceed with the alternative, the terms of the lease should include:

- 5 year term with AO50 review before another renewal term;
- Operating costs responsibility of the MACA;
- HRM to provide minimal maintenance and repair to the building; and
- Property to be declared surplus under AO50 if the MACA is unable to operate the building or the association ceases to exist.

Alternative 2: Regional Council could choose to declare the property surplus, but categorize it as 'Ordinary Sale' versus 'Community Interest'.

ATTACHMENTS

Attachment A – Description of 4032 Mooseland Road

Attachment B – Mooseland and Area Community Association Finances 2013 and 2014

Attachment C – Mooseland and Area Community Association Finances 2016

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: Scott Ingram, Service Delivery Coordinator, Parks & Recreation, 902.221-1319

HALIFAX

Attachment A - Description of 4032 Mooseland Road

4032 Mooseland Road, Mooseland

FD 0587551



Proposed Category	Community	Land Area	+/- 113,692 sq. ft. (2.6 acres)
Disposal Method	As per Admin. Order 50	Building Area	+/- 3,243 sq. ft.
District	2	Asset Use	Vacant Fire Station No. 32 / Community Hall
Councillor	Hendsbee	Operating Costs	\$11,700 (2013/14)
Land Use Bylaw	Eastern Shore (East)	Assessed Value	\$73,300 (2015 Commercial)
Zone	RE (Rural Resource)	Deed On File	No

Background

- Originally, the site of former Mooseland School, today, the site is occupied by vacant Fire Station No. 32 and a community hall: subject to a \$1-per-year land lease to the Mooseland and Area Community Association, with automatic annual renewal. Notice to terminate is one year prior to anniversary date of April 1;
- Original Parcel A (16,000 sq.ft.) was added-to through acquisition of Parcel P-2 (91,574 sq.ft.) and Parcel B (5,964 sq.ft.), forming the consolidated Lot P-2AB (2.6 acres), on March 3, 2000, for recreational purposes;
- Other community centre opportunities are available at Bicentennial Theatre (39 km away), and Sheet Harbour Lions Club (40 km away).

Discussion

- Technical Review: no municipal need identified;
- Steering Committee: Community use is on-going, and the community group remains interested in the property.
- Local Councillor: requests retention of property, and for HRM to enter into a Facility Lease Agreement (FLA) with the Mooseland & Area Community Association. Subsequent consultation with Parks & Recreation (P&R) indicates that FLAs are only applicable to alternate service delivery arrangements for a 3rd party to operate and supply the public with P&R programming services that would otherwise be provided by the municipality as per mandate. In this case, the Community Hall attached to vacant Fire Station No. 32 does not fit with a municipal program mandate, therefore the property should be surplus as per AO50 with 'Community Interest' category.

MOOSELAND + AREA COMMUNITY ASSOC.

ME. SUMMARY OF INCOME/EXPENSES > 2013

Attachment B - Mooseland and Area Community Association Finances 2013 and 2014

ITEM	PERIOD	JAN 1	APRIL 1	JULY 1	OCT 1
		MARCH 31	JUNE 30	SEPT. 30	DEC. 31
INCOME	HALL RENTAL	1035.00	1060.00	345.00	175.00
	FUNDRAISING	324.34	3565.61	280.00	212.50
	DONATIONS	55.00		30.00	55.00
	MISC				
	TOTAL	1414.34	4625.61	655.00	442.50
EXPENSES	FURNACE OIL	2023.33	834.10		584.70
	HYDRO	295.36	146.80	321.69	220.31
	TELEPHONE	163.46	153.13	14.88	138.86
	HALL SUPPLIES	57.49	114.62		
	HALL REPAIRS/MAINT.	150.00	260.00	150.00	150.00
	GROUNDS MAINT.		363.00	50.00	90.00
	FUNDRAISING		125.00	1325.00	
	SPECIAL PROJECTS	3491.00		100.00	
	DONATIONS	100.00			45.00
	MISC.		30.25		37.48
	TOTAL	6280.64	2026.90	2088.57	1266.35

TOTAL REVENUE : 7137.45

TOTAL EXPENSES : 11662.46

NET GAIN (LOSS) : (4525.01)

CASH ON HAND JAN. 1/13 : \$ 5344.31

CASH ON HAND DEC 31/13 : \$ 819.30

Attachment B
MOOSELAND + AREA COMMUNITY ASSOC.

RE: SUMMARY OF INCOME/EXPENSES > 2014

ITEM	PERIOD	JAN 1	APRIL 1	JULY 1	OCT 1
		MARCH 31	JUNE 30	SEPT 30	DEC 31
<i>INCOME</i>	HALL RENTAL	30.00	30.00		*6700.00 ^{HQ} _{GRANT}
	FUNDRAISING	1724.30	4675.20	402.80	625.00
	DONATIONS	675.00	1538.40		100.00
	MISC			304.25	31.15
	TOTAL	2429.30	6243.66	707.05	7456.15
<i>EXPENSES</i>	FURNACE OIL	2116.48	957.73		837.25
	HYDRO	281.53	103.95	273.22	111.53
	TELEPHONE	137.37	138.86	142.00	138.86
	HALL SUPPLIES		10.95		
	HALL REPAIRS/MAINT.	454.25	150.00		348.18
	GROUNDS MAINT.	400.00			100.00
	FUNDRAISING		1196.58		
	SPECIAL PROJECTS				
	DONATIONS				45.00
	MISC.	4349		60.25	
	TOTAL	3433.12	2558.07	475.47	1580.82

TOTAL REVENUE : 16836.16

TOTAL EXPENSES : 8047.48

NET GAIN (LOSS) : 8788.68

CASH ON HAND JAN. 1/14 : \$ 819.30

CASH ON HAND DEC 31/14 \$9607.98

* NOTE: HQ GRANT (above) in Q4

MOOSELAND + AREA COMMUNITY ASSOC

RE: SUMMARY OF INCOME / EXPENSES > 2016

Attachment C - Mooseland and Community Association Finances 2016

ITEM	PERIOD	JAN 1	APRIL 1	JULY 1	OCT 1
		MARCH 31	JUNE 30	SEPT 30	DEC. 31
INCOME	HALL RENTAL	∅	∅	∅	∅
	FUNDRAISING	126.65	959.25	1824.90	2879.30
	DONATIONS	180.00	30.00	240.00	80.00
	MISC.	∅	∅	∅	103.43
		306.65	989.25	2064.90	3062.73
EXPENSES	FURNACE OIL	903.24	218.41	204.24	368.83
	HYDRO	220.97	94.91	150.62	100.99
	TELEPHONE	93.70	92.70	92.70	99.63
	HALL SUPPLIES	∅	10.34	∅	∅
	HALL REPAIRS/MAINT	150.00	782.47	150.00	443.00
	GROUNDS MAINT.	230.00	52.50	191.25	120.00
	FUNDRAISING	∅	475.49	∅	1927.49
	DONATIONS	∅	∅	∅	145.00
	MISC.	50.00	∅	232.15	103.43
		1647.91	1726.82	1020.96	3308.37

TOTAL REVENUE : 6417.53

TOTAL EXPENSES : 7704.06

NET GAIN (LOSS) : (1286.53)

CASH ON HAND JAN 1, 2016 : \$ 10693.89

CASH ON HAND DEC 31, 2016 : \$ 9407.36