

HALIFAX

Public Hearing

ADMINISTRATIVE ORDER 50 – Disposal of Surplus Real
Property - COMMUNITY INTEREST Category
1588 Barrington Street, Halifax. PID# 00076471

May 22, 2018

Legislative Authority

HRM Charter (2008):

Section 63

(1) The Municipality may sell or lease property at a price less than market value to a non-profit organization that 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 a two-thirds majority of the Council present and voting.

(3) Where the Council proposes to sell property referred to in subsection (1) valued at more than ten thousand dollars at less than market value, the Council shall first hold a public hearing respecting the sale.

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Street View



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Property Site Plan



Origin

April 10, 2018 Regional Council.

Regional Council passed a motion to set a date for a public hearing to consider the sale of 1588 Barrington Street, Halifax, to the 1588 Barrington Building Preservation Society for the proposed less than market value price of \$1.00 as per the proposed terms and conditions set out in the Discussion section of the February 2, 2018 staff report and a Buy-Back Agreement included as Attachment 1 of the February 2, 2018 staff report.

Recommendations

- ❑ Subject to the outcome of the public hearing, approve the sale and authorize the Mayor and Municipal Clerk to enter into an Agreement of Purchase and Sale with the 1588 Barrington Building Preservation Society as per the terms and conditions set out in Table 1 of the February 2, 2018 staff report;

- ❑ Subject to confirmation from the 1588 Barrington Building Preservation Society that the sale is unconditional and is a firm and binding purchase agreement, approve and authorize the Chief Administrative Officer to execute a Contribution Agreement for a grant of up to \$250,000 under the terms and conditions contained in the February 2, 2018 staff report and included as Attachment 2;

- ❑ Approve an unbudgeted reserve withdrawal from the General Contingency Reserve, Q421 to fund the grant, up to \$250,000; and,

- ❑ Refer the 1588 Barrington Building Preservation Society's request for tax relief to the Tax Relief for Non-Profit Organizations Program pursuant to Administrative Order 2014-001-ADM.

Table 1. Key Terms and Conditions

Civic Address	1588 Barrington Street, Halifax PID 00076471
Area	Land Area of approximately 2,890 square feet. Building Area of approximately 10,285 square feet.
Zoning	DH-1 Downtown Halifax Zone.
Assessed Value	\$1,498,600
Appraised Value	See: In Camera Information Report to Regional Council meeting of December 12, 2017, dated December 5, 2017.
Tax Status	2018 Commercial Exempt
Proposed Purchase Price	\$1.00
Terms of Offer	Property to be conveyed "as is/as zoned". The Society shall be responsible for all operating and capital costs including annual real property tax.
Proposed Use	Operation of an arts incubator and cultural hub with mixed non-profit and commercial tenancy.
Conditions of Sale	A Buy-Back Agreement shall be applied to the conveyance. If, after two (2) years the Society is unable to proceed with re-development of the property the Municipality may invoke the Buy-Back Agreement and repurchase the property for the sum of \$1.00. Should the re-development proceed, the Buy-Back Agreement shall continue for a total term of twenty-five (25) years ¹ followed by an automatic review by Regional Council to consider continuation, amendment or release. The Purchaser may apply to the Municipality for postponement to secure up to 65% of the property's market value as of the date of the request.
Closing Date	Within three (3) months of Regional Council's approval.
Cost of Sale Recoveries	The Purchaser shall pay up to a maximum of \$2,500 plus HST for legal/deed migration fees at closing upon receipt of an itemized invoice issued by HRM. Excludes payment for independent appraisal.

Proposed Contribution Agreement

A one-time grant of up to \$250,000 to protect the premises (a registered heritage property) pending confirmation of capital funding and construction readiness.

The proposed contribution amount includes:

- ❑ Up to \$25,000 for holding costs assumed by the Society pending construction (a deferral of a conveyance decision until the Fall of 2018 was not supported by Regional Council based on eligibility for Heritage Canada funding);
- ❑ Contribution towards asbestos abatement (the reason for vacancy); and
- ❑ Any balance remaining may be directed towards development fees/conveyance costs as applicable.

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Proposed Contribution Agreement (continued)

The proposed conditions applied to the one-time award include:

- Progress reports (government funding, heritage approval, capital costs);
- Fundraising by the Society;
- Financial reporting to indicate the Society's cash position;
- Construction readiness.

Proposed Buy-Back Agreement

A Buy-Back Agreement with a term of 25 years is recommended to:

- Protect the heritage status of the property; and
- In the event that the Society is unable to proceed with re-development of the property as an arts incubator/cultural hub within 24 months as of the date of closing

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