



Subject: *Milford Lions Memorial Park Disposal*
To: Corporate & Residential Services Committee
Date Prepared: May 6, 2021
Related Motions: C21(38)
Prepared by: Amy Pyne, Projects & Policy Officer
Approved by: Kate Friars, Deputy CAO

Summary

Council passed a motion at its regular meeting on February 24, 2021 authorizing staff to transfer ownership of the Lions Memorial Park to the Milford & District Lions Club's yet-to-be-created charitable foundation.

Section 51 of the *Municipal Government Act* provides municipalities the authority to sell or lease municipally owned property. A public hearing is required to sell property to a non-profit organization at less than market value.

Staff are bringing forward this report to satisfy requirements of the MGA and Council's Disposal of Surplus Property Policy and to confirm terms and conditions of the transfer.

Financial Impact Statement

The 2021 assessed value of the property is \$31,400.

The costs to transfer the property are estimated to be \$5,000.

Recommendation

It is recommended that 2113 Highway 2, Milford, PID 45148160 be deemed surplus to municipal needs and be transferred to the Milford & District Lions Club for \$1.00 (one dollar) plus costs associated with the transfer. The agreement of purchase and sale should include standard clauses of right of first refusal and require registration of the yet-to-be-created charitable foundation before closing.

Recommended Motion

Move that the Corporate & Residential Services Committee recommend that Council deem 2113 Highway 2, Milford, PID 45148160 surplus to municipal needs.

Move that the Corporate & Residential Services Committee recommend that Council enter into an agreement of purchase and sale with the Milford & District Lions Club for surplus property situated at 2113 Highway 2, Milford, PID 45148160 for \$1.00 (one dollar) plus costs associated with the transfer; the agreement of purchase and sale shall include standard clauses of right of first refusal, and shall require the Milford & District Lions Club to register their yet-to-be-created charitable foundation before closing.

Background

The Lions Memorial Park is located at 2113 Highway 2, Milford, PID 45148160 (the “Subject Property”). East Hants entered into a ten (10) year lease agreement with the Milford & District Lions Club (“Lions Club”), made April 11, 2016, to enable the Lions Club to develop the Subject Property as public green space. The lease is renewable for as many further terms of ten (10) years as may be agreeable to the Municipality.

In January 2021, correspondence was received from the Lions Club detailing their interest in obtaining long-term control over the Subject Property. In order to facilitate future donations, the Lions Club is attempting to have the Lions Memorial Park established as a Registered Charitable Organization recognized by the Canadian Revenue Agency. The charity proposal would require long-term control over the property. The Lions Club proposed a 99-year lease or transfer of property ownership to a yet-to-be-created charitable foundation, for a nominal fee.

On February 24, 2021, Council passed motion C21(38) authorizing staff to transfer ownership of the Subject Property to the Lions Club’s yet-to-be-created charitable foundation.

Discussion

Municipal Government Act & Council’s Disposal of Surplus Property Policy

The Municipality’s powers to sell surplus property is governed by the *Municipal Government Act* (MGA), further supported by Council’s Disposal of Surplus Property Policy (the “Policy”). The purpose of the Policy is to dispose of surplus real property in a fair, legally compliant, and impartial manner, which takes into account the highest financial return to East Hants balanced with economic and community development opportunities. Per section 1.2. (d) of the Policy, criteria used to deem a property surplus includes “a non-profit organization has an interest in acquiring the property to provide a service to the community.”

Section 51 of the MGA requires a municipal council to hold a public hearing at a regularly scheduled council meeting respecting the sale of a property to a non-profit organization at a price less than market value. The purpose of the public hearing is for Council to hear input from the public prior to making a final decision with respect to the sale of the property. In order to comply with the advertising requirements as set out in the MGA the first advertisement can occur at the end of May 2021 following Council’s motion to proceed with the surplus disposal. The public hearing would then be held at Council’s regular meeting of June 23, 2021.

Terms and Conditions

Staff recommend a purchase price of \$1.00 (one dollar). The Lions Club has developed the Subject Property into a public greenspace providing service to the community, satisfying a below market sale under the Policy and the MGA.

Staff recommend the Lions Club reimburse East Hants the costs associated with transfer of the Subject Property. The Subject Property is not migrated to the Land Registry System (LRS); furthermore, title to the property is by way of multiple separate deeds. A surveyor is required to prepare a new property description in order to complete migration to the LRS to allow for transfer of ownership. Staff are in the process of coordinating these activities, at an estimated cost of \$5,000. These activities are required to facilitate transfer of ownership and are only being completed as a result of the Lions Club’s request.

Staff recommend standard language for right of first refusal, including should the yet-to-be-created charitable foundation cease operations the Subject Property and/or it is no longer used as a public park it is transferred back to the Municipality for \$1.00 (one dollar), with the Lions Club covering any applicable transfer costs.

Staff recommend that the agreement of purchase and sale requires the Lions Club’s yet-to-be-created charitable foundation be registered prior to closing.

Alternatives

East Hants absorbs the costs of transferring the property, estimated at \$5,000. Sufficient funds are available in CORP SERVS 8100 Professional Services.

Conclusion

Staff are formalizing the surplus declaration of the Lions Memorial Park located at 2113 Highway 2, Milford, PID 45148160 to satisfy requirements of the MGA and Council's Disposal of Surplus Property Policy. Staff are further seeking confirmation on the terms and conditions of the agreement of purchase and sale with the Milford & District Lions Club.

Recommendation

It is recommended that 2113 Highway 2, Milford, PID 45148160 be deemed surplus to municipal needs and be transferred to the Milford & District Lions Club for \$1.00 (one dollar) plus costs associated with the transfer. The agreement of purchase and sale should include standard clauses of right of first refusal and require registration of the yet-to-be-created charitable foundation before closing.