



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

**Item No. 14.2.1**  
**Halifax Regional Council**  
**October 3, 2017**

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

**SUBMITTED BY:** Original Signed  
\_\_\_\_\_  
Councillor Bill Karsten, Chair, Audit and Finance Standing Committee

**DATE:** September 21, 2017

**SUBJECT:** Long-term Strategic Capital Projects Update

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**ORIGIN**

Staff report submitted to the September 20, 2017 meeting of the Audit and Finance Standing Committee.

Motion passed by Audit and Finance Standing Committee endorsing the staff recommendation.

**LEGISLATIVE AUTHORITY**

Sec. 21 of the Halifax Regional Municipality Charter RE Standing, Special, and Advisory Committees.

Sec. 8 of the Audit and Finance Standing Committee's Terms of Reference:

"The Audit and Finance Standing Committee shall review and make recommendations on proposals coming to the Council outside of the annual budget or tender process including:

- (a) new programs or services not yet approved or funded;
- (b) programs or services that are being substantially altered;
- (c) proposed changes in any operating or project budget items;
- (d) the commitment of funds where there is insufficient approved budget;
- (e) new or increased capital projects not within the approved budget;
- (f) increases in project budget due to cost sharing; and
- (g) the creation or modification of reserves and withdrawals not approved in the approved budget."

**RECOMMENDATION**

The Audit and Finance Standing Committee recommends Halifax Regional Council direct staff to bring forward a framework for a ten-year capital outlook aligned with Regional Council Priorities, along with an initial ten-year capital outlook that includes funding for the Planned Strategic Projects as noted in the September 6, 2017 staff report, and options for other capital outlays including the Potential Strategic Projects.

## **BACKGROUND**

At the September 20, 2017 meeting of the Audit and Finance Standing Committee, staff presented a report regarding an update on long-term strategic capital projects.

## **DISCUSSION**

The Committee considered the report and passed a motion endorsing the staff recommendation.

## **FINANCIAL IMPLICATIONS**

Refer to the attached September 6, 2017 staff report for financial implications.

## **RISK CONSIDERATION**

N/A

## **COMMUNITY ENGAGEMENT**

The Audit & Finance Standing Committee meetings are open to public attendance, a live webcast is provided of the meeting, and members of the public are invited to address the Committee for up to five minutes at the end of each meeting during the Public Participation portion of the meeting. The agenda, reports, minutes, and meeting video of the Audit & Finance Standing Committee are posted on Halifax.ca

## **ENVIRONMENTAL IMPLICATIONS**

N/A

## **ALTERNATIVES**

Refer to the attached September 6, 2017 staff report for alternatives.

## **ATTACHMENTS**

Attachment 1: Staff report dated September 6, 2017.

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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.

Report Prepared by: Sheilagh Edmonds, Legislative Assistant, Municipal Clerk's Office 902.490.6520

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**Item No.**  
**Audit and Finance Standing Committee**  
**September 20, 2017**

**TO:** Chair and Members of Audit & Finance Standing Committee

**SUBMITTED BY:** Original signed by

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Jacques Dubé, Chief Administrative Officer

Original signed by

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Amanda Whitewood, CFO/Director of Finance and Asset Management

**DATE:** September 6, 2017

**SUBJECT:** Long-Term Strategic Capital Projects Update

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**ORIGIN**

At the April 19<sup>th</sup>, 2017 meeting of the Audit & Finance Standing Committee, Councillor Nicoll put forward a motion to request a staff report outlining an updated strategic capital funding plan for the next four years that aligns with Regional Council's priority areas.

This request stems from a presentation and report put before Regional Council on July 29<sup>th</sup>, 2014 detailing planned and potential strategic projects.

**LEGISLATIVE AUTHORITY**

Halifax Regional Municipality Council approved, Dec 11, 2012, that all budget increases are to be presented to the Audit and Finance Standing Committee, prior to submission to Council.

Halifax Charter, section 93(1) - The Council shall make estimates of the sums that are required by the Municipality for the fiscal year; Halifax Charter, section 79(1) - Specifies areas that the Council may expend money required by the Municipality; Halifax Charter, section 35(2)(d)(i) - The CAO can only authorize budgeted expenditures or within the amount determined by Council by policy; Halifax Charter, section 120(6) - The Municipality may maintain other reserve funds for such purposes as the Council may determine; Halifax Regional Municipality policy on Changes to Cost Sharing for Capital Projects - Changes requiring Council approval; and the Halifax Regional Municipality Reserve Policy - No reserve funds will be expended without the CAO's recommendation and Council approval.

## **RECOMMENDATION**

It is recommended that the Audit & Finance Standing Committee recommend that Regional Council direct staff to bring forward a framework for a ten-year capital outlook aligned with Regional Council Priorities, along with an initial ten-year capital outlook that includes funding for the Planned Strategic Projects as noted in this report, and options for other capital outlays including the Potential Strategic Projects.

## **BACKGROUND**

In 2014, staff presented a set of options to fund strategic capital projects related to a 2014 Committee of the Whole presentation. At that time, staff identified the need for a plan to address large capital projects in various stages of the decision-making process, and a funding plan to address them. The funding outlook at the time laid out a three-year spending plan that did not incorporate materially large capital expenditures.<sup>1</sup>

The report was a culmination of Council discussion of large capital expenditures that would not be considered in the normative capital budget process. The stock of projects discussed were aligned with various city building initiatives ranging from a revised Regional Plan, Long-Term Arenas Strategy and Regional Economic Growth strategies. The staff report from July 29, 2014 recommended Council take the following steps to provide funding capacity:

1. Approve the use of the Capital Reserves Q101 Sale of Assets; Q126 Strategic Growth; Q139 Central Library Repayment Reserve; and Q145 Regional Facility Expansion Reserve to fund the Planned Strategic Projects and the Potential Strategic Projects should they proceed.
2. Dedicate the net proceeds from the sale of Bloomfield, 3<sup>rd</sup> Queen Street Site (sold), Red Cross Building, Bayne Street and St. Pat's Alexandra to fund the Planned Strategic Projects should they proceed.
3. Dedicate the net proceeds from the potential sale of St. Pat's High, Alderney and Ochterloney lot, Lyle Street and the arenas made surplus by the Long-Term Arena Strategy for interim financing of Planned Strategic Projects and funding of Potential Strategic Projects
4. Approve amending the Multi-Year Fiscal Plan to permit up to \$100,000,000 of debt financing above the limits set by that plan for the Potential Projects.
5. Approve adding 1 cent to the general tax rate as determined by the 15/16 budget. The proceeds are to be placed in the Q126 Strategic Growth reserve to fund Potential Strategic Projects.
6. Approve adding the Library Facilities Plan to the scope of work for the Community Facility Master Plan review so the timing and placement of these potential facilities can be considered in context with other HRM facilities.
7. Direct staff to recommend funding in the 15-16 capital budget to: (a) complete feasibility study, business case and Class C costing for the Police Station Renewal and Fire Services Training Facility, (b) Develop business model and partnerships for a stadium and supporting infrastructure for presentation to the executive committee, (c) Perform a needs assessment, feasibility study and identify potential partners and service delivery model for a Performing Arts Centre.
8. Approve the planned strategic projects referenced in these recommendations as: Halifax Multi-pad; Dartmouth Multi-pad; Dartmouth Sportsplex; Cogswell and the \$50 million, 5-year Downtown Investment.

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<sup>1</sup> Halifax Regional Municipality, Strategic Capital Funding Strategy: Audit and Finance Standing Committee, Item No. 4.2, June 5<sup>th</sup>, 2014.

9. Approve the Potential Strategic projects referenced in these recommendations as: The Police Station Renewal; Fire Services Training Facility; Stadium; Library Facilities Plan; Performing Arts Centre or Commuter Rail/Fast Ferry.

**DISCUSSION**

In 2014, there was considerable interest in advancing several large projects that would provide substantial public benefit. There were five projects that were close to being designed but were unfunded. These included the replacement of ice surfaces with two new four-pads; the refurbishment of the Dartmouth Sportsplex; the Cogswell Interchange; and Downtown Streetscaping. These projects also had the advantage of not requiring additional operating funds once built. These projects had been a source of interest for some time but due to their large project size (nearly \$100 million not including Cogswell) they were difficult to approve in the capital budget. While HRM had a three-year capital plan, only the first year of that plan was fully funded, and there was significant demand for projects in years 2 and 3.

The Original Funding Strategy

In the absence of a longer-term capital plan, Staff recommended an approach to approving what it referred to as the five “Planned Strategic Projects”. The strategy was relatively simple: use existing reserve funds plus the anticipated contributions for the next ten years (for the Strategic Growth and Regional Facility Expansion reserves) to fund the capital requirements. In addition, there were five key properties that would be sold to pay for the projects: Bloomfield, the third Queen Street site, Red Cross Building, Bayne Street and St Pat’s A. Cogswell would be financed through the sale of the public lands it freed up, once the project was complete. While funding was being accumulated, the projects could be cash-flowed using existing resources. This model allowed all five projects to be approved and left a balance of \$33 million for other strategic projects. The funding model committed HRM to selling the five key properties and committed significant reserves funds for the next ten years.

**Planned Strategic Projects - Total Expenditures and Funding**

As Originally Approved by Regional Council in 2014

<b>Project Expenditures:</b>	
Halifax Multipad	15,800,000
Dartmouth Multipad	43,000,000
Dartmouth Sportsplex Renewal	22,000,000
\$50M 5 Year Downtown Investment	16,666,700
Cogswell Street Interchange (net of land sales)	0
<b>Sub-Total</b>	<b>97,466,700</b>
<b>Funding:</b>	
Existing Reserves and Interest	37,473,086
Existing Reserve Contributions (Years 1-10)	60,000,000
Sale of Five Key Properties	33,296,000
<b>Sub-Total</b>	<b>130,769,086</b>
<b>Excess/(Shortfall) in Funding</b>	<b>33,302,386</b>

There was a second group of six strategic projects that Council also considered. These were not in an advanced stage of design and could not be immediately approved. These projects also had potential operating implications. These projects included Police Station Renewal/Lock-ups, Fire Services Training Facility, a Stadium, Library Facilities MasterPlan, Performing Arts Centre and Commuter Rail/Fast Ferry. The estimated cost for these projects was \$300 million. Funding was to include the excess \$33 million from the first five projects; the anticipated contributions for years 11 to 15 for the Strategic Growth and Regional

Facility Expansion reserves; and, the sale of eight additional key properties. Collectively, this provided nearly \$100 million or one-third of the required total. The remainder was to come from two sources leveraged through additional taxes. The first was an increase to reserves of \$4 million per year, based on a 1 cent increase in the tax rate. The second was \$100 million in additional debt, which would be re-paid through a future 1.5 cent increase in taxes. All together, this funded \$250 million of the total \$300 million. It should be acknowledged that these numbers are based on the 2014 numbers and are preliminary in nature.

**Potential Strategic Projects - Total Expenditures and Funding**

As Originally Approved by Regional Council in 2014

**Project Expenditures:**

Police Station Renewal/Lock-ups	60,000,000
Fire Services Training Facility	30,000,000
Stadium	60,000,000
Library Facilities Plan	60,000,000
Performing Arts Centre	60,000,000
Commuter Rail / Fast Ferry	<u>31,000,000</u>

**Sub-Total** **301,000,000**

**Funding:**

Excess from Planned Projects	33,302,386
Existing Reserve Contributions (Years 11-15)	30,000,000
Sale of additional Eight Key properties	31,290,000
Addition of 1 cent to tax rate (Years 2 - 15)	56,000,000
Additional Debt (1.5 cents tax)	<u>100,000,000</u>

**Sub-Total** **250,592,386**

**Shortfall in Funding** **-50,407,614**

The overall strategic plans depended on the sale of \$65 million worth of key properties that had been declared surplus to municipal needs. These properties were

### Sale of Key Properties to Fund Strategic Properties

As Originally Approved by Regional Council in 2014

<b>Planned Strategic Projects</b>		
Bloomfield School	}	33,296,000
Sale of 3rd Queen St Site		
Red Cross Building		
Bayne Street		
St. Pats A		
<b>Potential Strategic Projects:</b>		
St Pat's High School	}	31,290,000
Alderney and Ochterloney		
Lyle Street		
Sale of 4 Rinks in Dartmouth, Bedford		
<b>Total</b>		<b>64,586,000</b>

#### The Results to Date

The planned projects outlined in the 2014 report are on-going to different extents:

- The Dartmouth Multi-Pad is scheduled to open in mid September, 2017.
- Revitalization of the Dartmouth Sportsplex has begun and should be complete by fall 2018;
- Work on the Cogswell Interchange is beginning in 2017-18, with a Council decision point based on updated expenditures and financing plan due before Council in January, 2018.
- Downtown Streetscaping is under way.
- The Halifax Forum Redevelopment is forecast to begin in 2019-20, pending a further report to Council that was requested on June 20<sup>th</sup>, 2017. A final decision on the project will then be made by Regional Council

There have also been some alterations to the funding plans for the projects:

- Downtown Streetscaping was to be cost-shared with Building Canada but did not meet the eligibility criteria; the project is proceeding with own-source funding while staff work with Infrastructure Canada to determine funding eligibility for future related projects.<sup>2</sup>
- The Halifax Forum project was assumed to be cost shared with the Department of National Defence, however the staff recommendation for a partnership with the Department of National Defense was not approved, and Council opted for the Halifax Forum Community Association expansion plan. Estimated municipal funding for the project has now risen to \$44 million.

As detailed below, long-term estimated project costs (Cogswell aside) have risen from \$97 million to \$192.3 million.

<sup>2</sup> Halifax Regional Municipality, Building Canada Fund Infrastructure Update & Downtown Capital Improvement Fund, Halifax Regional Council, Item No. 11.1.9, July 21<sup>st</sup>, 2015.

**Strategic Capital Project Update: (in millions)**

Description	Original	Revised Project Costs			Project Budget
	Project Costs (2014)	Actuals	Committed	Total	
Halifax Multipad	15.80	0.00	0.00	0.00	44.00
Dartmouth Multipad	43.00	37.94	5.52	43.46	43.70
Dartmouth Sportsplex Renewal	22.00	2.41	0.75	3.16	25.75
Cogswell Interchange Redevelopment	0.00	1.35	2.96	4.31	61.75
\$50M 5 Year Downtown Investment	16.67	0.61	5.90	6.51	17.10
<b>Total Gross Capital Budget</b>	<b>97.467</b>	<b>42.31</b>	<b>15.13</b>	<b>57.44</b>	<b>192.30</b>

In addition, there have been significant delays in selling the 13 properties required to fund strategic projects. To date only two of the 13 properties has been sold, as large properties can take time to prepare and sell to maximize value. Moreover, several community organizations have indicated interest in acquiring these properties below market price.

Assuming land sales occur as predicted, there will still be significant funding issues with the existing stock of projects. The listed properties are subject to market volatility in demand, and changing land-use patterns which may distort short-term valuations or demand for properties. On a positive note, HRM did manage to acquire a financial settlement for the long-standing dispute with the Government of Canada over taxation of Citadel Hill. These funds have been placed within the strategic reserves.

At this point, two main conclusions can be drawn. First, the funding model for the Planned Strategic Projects has subsumed funding that was essentially meant for the longer- term Potential Strategic projects. While the Planned projects have been committed, and are expected to be completed, the funding model for the potential strategic projects needs to be revised. Secondly, the Strategic Capital Reserve may fall into a negative balance by 2019-20 based on current project commitments. This assumes land sales occur near or at their market values in the designated timelines, and annual reserve contributions remain constant.

**Planned Strategic Projects - Revised Expenditures and Funding for Next Four Years**

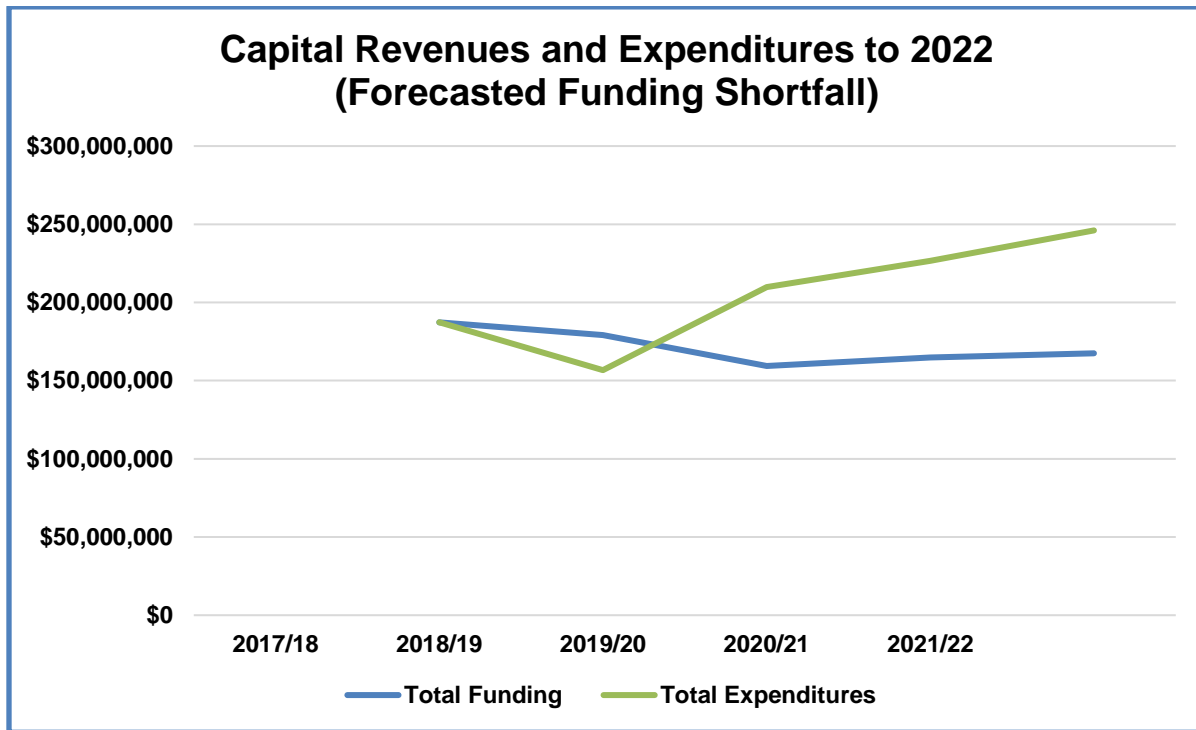
<b>Project Expenditures:</b>	
Halifax Multipad	24,000,000
Dartmouth Multipad	8,300,000
Dartmouth Sportsplex Renewal	19,150,000
\$50M 5 Year Downtown Investment	9,000,000
Cogswell Street Interchange (net of land sales)	<u>58,000,000</u>
<b>Sub-Total</b>	<b>118,450,000</b>
<b>Funding:</b>	
Existing Reserves and Interest	19,930,000
Existing Reserve Contributions (Years 1-10)	24,000,000
Sale of Five Key Properties	<u>50,600,000</u>
<b>Sub-Total</b>	<b>94,530,000</b>
<b>Excess/(Shortfall) in Funding</b>	<b><u>-23,920,000</u></b>



**Revising the Approach**

Since 2014 Halifax has made numerous improvements in its approach to budget planning. It has redesigned its reserves to meet long-term needs. In 2017-18 it introduced a four-year financial framework for Operating, Capital, Reserves and Debt. The capital budget is fully funded for the first two years. Significant progress has been made, although improvements are required if large, long term projects are to be appropriately planned and executed.

To date, there is no longer term forecast of capital expenditures and funding due to the preliminary nature of project design and approvals. Staff has developed a conceptual model for long-term capital planning that incorporates both extraordinary and ongoing projects over 10-year time horizon and would consider the operating impact of new capital projects. The goal is to have an approach that provides for long term financial sustainability. The initial working estimates suggest that there are insufficient funds over the longer term to both maintain the existing asset base (State of Good Repair), to expand services (Growth, Service Improvement) and fund every Potential Strategic Project. Rough initial estimates are that over the next ten years the Capital Plan will require \$1.5 billion in funding from Debt, Capital from Operating and Gas Tax. Current estimates suggest only \$1 billion is available leaving a significant shortfall for one-third of that plan.



Ultimately, the goal is to design a sustainable, long term financial plan with options to advance various capital projects within that plan. There should be a long-term capital outlook suggesting potential capital projects, capital funding and new operating and other costs for the operating budget. Council would not need to formally approve every aspect of that plan. Rather, a longer-term projection would give them a broader context so it could decide which capital projects happen now, and which are medium or longer term. Projects such as the “Potential” strategic projects could then be compared not simply against land sales but against all other funding and other projects. There would then be a much stronger sense of the options, risks and opportunity costs.

### **FINANCIAL IMPLICATIONS**

Due to the nature of the recommendation, there are no immediate financial implications. The capital model to be brought forward to Council for consideration will have long-term implications on levels of taxation, debt and municipal capital stock ownership.

### **RISK CONSIDERATION**

Not applicable.

### **COMMUNITY ENGAGEMENT**

Not applicable

### **ENVIRONMENTAL IMPLICATIONS**

Not applicable.

### **ALTERNATIVES**

The Audit & Finance Standing Committee may recommend that Regional Council direct staff to:

1. Prepare specific funding options for the potential projects listed, outside of a wider context of capital expenditures.
2. Bring forward additional options to prioritize capital expenditures in line with the Multi-Year Financial Planning Framework.

### **ATTACHMENTS**

1. Regional Council Report – Strategic Capital Funding Strategy -July 29, 2014
2. Regional Council Presentation – Strategic Capital - July 29, 2014
3. Regional Council Report – Indoor Ice Surfaces – June 20, 2017
4. Regional Council Report- Building Canada Infrastructure Update & Downtown Capital Improvement Fund – May 22, 2015

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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.

Report Prepared by:       Kenzie McNeil, Senior Financial Consultant, 902.579.4129  
                                  Jean Myatt, Senior Financial Consultant, 902.579.7341

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

## Item No.11.2.1 iv

Audit and Finance Standing Committee

June 5, 2014

June 18, 2014

Regional Council July 29, 2014

**TO:** Chair and Members of the Audit and Finance Standing Committee

Original Signed

**SUBMITTED BY:**

\_\_\_\_\_  
Greg Keefe, Director, Finance and ICT

**DATE:** May 26, 2014

**SUBJECT:** Strategic Capital Funding Strategy

### ORIGIN

Capital Budget presentation from February 26, 2014 Committee of the Whole.

### LEGISLATIVE AUTHORITY

Pursuant to the Halifax Charter:

- Section 35 (1), the Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.
- Section 83 (1) The Municipality may borrow to carry out an authority to expend funds for capital purposes conferred by this Act or another Act of the Legislature.
- Section 93 (1) The Council shall make estimates of the sums that are required by the Municipality for the fiscal year.
- Section 120 (1) The Municipality shall maintain a capital reserve fund.
  - (2) The capital reserve section of a special reserve fund in existence, on the coming into force of this Act, is a capital reserve fund.
  - (3) The capital reserve fund includes
    - (a) funds received from the sale of property
    - (b) the proceeds of insurance resulting from loss or damage of property that is not used for replacement, repair or reconstruction of the property;
    - (c) any surplus remaining from the sale of debentures that is not used for the purpose for which the debentures were issued;
    - (d) the surplus remaining in a sinking fund when the debentures for which it was established are repaid;

**Recommendations on pages 2 and 3...**

- (e) any capital grant not expended in the year in which it was paid;
  - (f) proceeds received from the winding up of a municipal enterprise as defined in the Municipal Finance Corporation Act;
  - (g) the current fiscal year's accrual for landfill closure and post closure costs; and
  - (h) amounts transferred to the fund by the Council.
- (4) A withdrawal from the capital reserve fund shall be authorized by the Council, by resolution, and may only be used for
    - (a) capital expenditures for which the Municipality may borrow;
    - (b) repayment of the principal portion of capital debt; and
    - (c) landfill closure and post closure costs.

### **RECOMMENDATION**

It is recommended that the Audit and Finance Standing Committee recommend to Halifax Regional Council:

1. Approve the use of the Capital Reserves Q101 Sale of Assets; Q126 Strategic Growth; Q139 Central Library Repayment Reserve; and Q145 Regional Facility Expansion Reserve to fund the **Planned Strategic Projects** and the **Potential Strategic Projects** should they proceed.
2. Dedicate the net proceeds from the sale of Bloomfield, 3<sup>rd</sup> Queen Street Site, Red Cross Building, Bayne Street and St. Pat's Alexandra to fund the **Planned Strategic Projects** should they proceed.
3. Dedicate the net proceeds from the potential sale of St. Pat's High, Alderney and Ochterloney lot, Lyle Street and the arenas made surplus by the Long Term Arena Strategy for interim financing of **Planned Strategic Projects** and funding of **Potential Strategic Projects**
4. Approve amending the Multi-Year Fiscal Plan to permit up to \$100,000,000 of debt financing above the limits set by that plan for the **Potential Projects**.
5. Approve adding 1 cent to the general tax rate as determined by the 15/16 budget. The proceeds are to be placed in the Q126 Strategic Growth reserve to fund **Potential Strategic Projects**.
6. Approve adding the Library Facilities Plan to the scope of work for the Community Facility Master Plan review so the timing and placement of these potential facilities can be considered in context with other HRM facilities.
7. Direct staff to recommend funding in the 15/16 Capital Budget to:
  - a. Complete feasibility study, business case and Class C costing for the Police Station Renewal and Fire Services Training Facility

**Recommendations continued on page 3...**

- b. Develop business model and partnerships for a stadium and supporting infrastructure for presentation to the Executive Committee in June 2014.
  - c. Perform a needs assessment, feasibility study and identify potential partners and service delivery model for a Performing Arts Centre
8. Approve the **Planned Strategic Projects** referenced in these recommendations as: Halifax Multi-pad; Dartmouth Multi-pad; Dartmouth Sportsplex; Cogswell and the \$50 million, 5 Year Downtown Investment.
  9. Approve the **Potential Strategic Projects** referenced in these recommendations as: the Police Station Renewal; Fire Services Training Facility; Stadium; Library Facilities Plan; Performing Arts Centre or Commuter Rail / Fast Ferry.

## **BACKGROUND**

During the budget presentation on Capital on February 26, 2014, staff identified the need for a plan to address the large capital projects in various stages of the decision making process, and a funding plan to address them. As the funding plan will rely heavily on amounts in capital reserves and proceeds from the sale of high value properties, Council will need to decide if this funding is to be held for these projects or applied elsewhere. Also, as the investment in these projects will be over a decade or more, staff needs direction from Council regarding the priority and timing of these projects.

In suggesting the priority and timing of these projects, staff have considered links to Council priorities, relationships between projects, partnerships, and spending for impact.

The current funding level for capital, as detailed in the 3 year capital plan, is only sufficient to fund that plan, and in fact may not be sufficient to cover all emerging pressures. Staff do not anticipate being able to redirect funding from the capital plan to these projects.

## **DISCUSSION**

The following five of these **Planned Strategic Projects** are in the planning stage. They have all been before Council. They are:

- **Long Term Arena Strategy – Peninsula**
  - **Idea**
    - **Consolidate arenas with new multi-pad facilities on the Peninsula**
    - **Close old arenas and Forum**
  - **Rationale**
    - **It is better to replace than refurbish very old arenas**
    - **Multi-pad is the most efficient way to operate**
  - **Council**
    - **Part of LTAS approved August 14, 2012**
  - **Cost**
    - **Approximately \$33.8M**
    - **Recovery sale of Forum site**

- **Impact**
  - **RP+5 : Increase residential density on the peninsula by releasing forum land for development**
- **Opportunity**
  - **Partnership with Canadian Forces Base Halifax and potentially Dal and SMU**
- **Long Term Arena Strategy – Dartmouth**
  - **Idea**
    - **Consolidate arenas with new multi-pad facilities on Dartmouth**
    - **Close old arenas**
  - **Rationale**
    - **It is better to replace than refurbish very old arenas**
    - **Multi-pad is the most efficient way to operate**
  - **Council**
    - **Part of LTAS, approved by Council August 14, 2012**
  - **Cost**
    - **Approximately \$43M**
  - **Impact**
    - **RP+5 : Stadium, Transit, achieve walkable, complete communities and density**
  - **Opportunity**
    - **With a future stadium, seed development in Shannon Park, and seed creation of a Ferry Terminal at Shannon Park**
- **Dartmouth Sportsplex Upgrade**
  - **Idea**
    - **Modernization and expansion of the Dartmouth Sportsplex**
  - **Rationale**
    - **Improve impact for the community**
    - **Improve revenue opportunities**
  - **Council**
    - **Approved as a strategic project for consideration by AFSC, April 15, 2014**
  - **Cost**
    - **Approximately \$22M**
  - **Impact**
    - **Ability to consolidate services and focus on the community**
  - **Opportunity**
    - **RP+5 complete communities, Transit**
    - **Potential for facility rationalization**
- **Cogswell Interchange**
  - **Idea**
    - **Demolish the Cogswell Street Interchange repurpose the land for mixed-use development and public amenities**
  - **Rationale**
    - **Interchange is nearing end of useful life**

- **It is not needed, and the land can be put to better use**
  - **Council**
    - **Council approved issuing an RFP for developing Master Plan in 2009**
    - **Cogswell Lands Plan endorsed by Executive Standing Committee, April 28, 2014 and Regional Council, May 13, 2014**
  - **Cost**
    - **NO net impact. Costs should be recovered from development**
  - **Impact**
    - **Centre Plan**
    - **Downtown Development**
  - **Opportunity**
    - **Transit Hub and Parkland**
    - **Integrate Downtown with North End Gateway/Halifax North**
- **\$50M, 5 year Downtown Investment**
    - **Idea**
      - **Leverage funds from the Provincial and Federal Governments to make needed investments in the downtown**
    - **Rationale**
      - **Help drive downtown development**
    - **Council**
      - **Project list endorsed by Council February 11, 2014**
      - **Funds set aside in Project Budget, from Reserves, for 2014/2015 – 2018/2019**
    - **Cost**
      - **Approximately \$50M, although 2/3 share from other levels of Government**
    - **Impact**
      - **Centre Plan**
      - **Downtown Development**
      - **Convention Centre**
    - **Opportunity**
      - **To revitalize downtown through investing in key areas**
      - **Partnerships with other levels of government as well as private developers**

The following six **Potential Strategic Projects** are in the conceptual phase. They have been discussed at various levels, but have not received approval to proceed. These potential projects require more work before they can be considered for approval by Council.

- **Police Station Renewal**
  - **Idea**
    - **Need identified for a new facility**
  - **Rationale**
    - **The current facility is old and not meeting needs**
    - **If retained, will require an investment of \$15M to replace cells**

- Council
  - 2014/2015 budget accommodates a Strategic Plan that includes facilities review
- Cost
  - Estimate \$60M
  - Suitable for Debt financing
- Impact
  - Centre plan
  - Safe Communities
  - RCMP
- Opportunity
  - Land at existing site will be made more valuable by Cogswell project
  - Police structure / provincial force
- Fire Services Training Facility
  - Idea
    - Need identified for a training facility
  - Rationale
    - Existing facility (non-HRM) is at end of life
  - Council
    - Business Case is a deliverable of the 2014/2015 FES Business Plan
    - \$1M in the Capital plan for land acquisition in 2015/2016
  - Cost
    - Estimate \$30M
  - Impact
    - Safe Communities
  - Opportunity
    - This is a province wide need so there may be potential partners from the Province, other municipalities, Federal Government and HIAA
- Stadium
  - Idea
    - There is a desire for a multi-use stadium.
  - Rationale
    - Halifax is now large enough to support a stadium
  - Council
    - Although Council rejected the idea in March 2012, they directed staff to monitor and potentially revisit
  - Cost
    - Estimate \$60M
    - Suitable for Debt financing
  - Impact
    - Centre Plan, Transit
  - Opportunity
    - With a multi-pad arena, seed development in Shannon Park, and seed creation of a Ferry Terminal at Shannon Park
    - Will need cost sharing from other levels of Government and the private sector



- **Library Facilities Plan**
  - **Idea**
    - **The Library Board has submitted a multi-year plan for future facilities**
  - **Rationale**
    - **Modern libraries need a regional infrastructure**
  - **Council**
    - **Library Board developed multi-year facilities plan**
  - **Cost**
    - **Estimate \$60M**
  - **Impact**
    - **Healthy Communities**
  - **Opportunity**
    - **Co-location with other facilities**
  
- **Performing Arts Centre**
  - **Idea**
    - **Halifax is now large enough to have a 2,500-3,000 seat performing arts centre**
  - **Rationale**
    - **There is no venue for attractions too large for the Cohn, but not appropriate for Metro Centre**
  - **Council**
    - **Approved a grant to performing arts society towards an arts venue feasibility study, June 25, 2013.**
  - **Cost**
    - **Estimate \$60M**
    - **Suitable for Debt financing**
  - **Impact**
    - **Arts and Culture**
  - **Opportunity**
    - **Partnership with Universities, NGOs and the private sector**
  
- **Commuter Rail / Fast Ferry**
  - **Idea**
    - **Halifax needs to more efficiently move people from the commuter shed to their workplace**
    - **Establish commuter rail on existing rail corridors to downtown**
  - **Rationale**
    - **Rail is used elsewhere to achieve this.**
    - **The harbour is a resource that could be leveraged**
  - **Council**
    - **Approved funds in 2012 for Commuter Rail Feasibility Study**
  - **Cost**
    - **Rough estimate \$31M from Feb 2011**
  - **Impact**
    - **Integrated Transportation Plan**
    - **Transit**

- Parking Strategy
- Opportunity
  - Existing rail lines
  - Harbour

The four major Capital Reserves have \$30,694,702 available:

- Sale of Assets: -\$1,351,394
- Strategic Growth: \$21,065,732
- Central Library: -\$302,105
- Regional Facility Expansion: \$11,282,375

In addition, the operating budget includes a \$5,000,000 annual contribution to the Strategic Growth Reserve and a \$1,000,000 annual contribution to Regional Facility Reserve. The accumulated funds from the major capital reserves over a 7-year period are expected to be \$76,444,000.

There are five major properties planned for disposal in 14/15 that should yield \$33,296,000. The properties for planning purposes are:

- Bloomfield
- 3rd Queen Street Site
- Red Cross Building
- Bayne Street
- St. Pats Alexandra

\*Estimates are conservative and subject to market at the time of sale.

In addition, the potential sales of St Pat’s High, Alderney and Ochterloney lot, Lyle Street, and the sale of 4 arenas in Halifax, Dartmouth, and Bedford after the completion of the Long Term Arena Strategy could yield \$31,290,000.

In summary:

<b>Funding:</b>	
Reserves (over a 7-year period)	\$76,444,000
14/15 Land Sales	\$33,296,000
Potential Land Sales	\$31,290,000
Subtotal:	\$141,030,000
Planned Projects	-\$97,467,000

<b>Net</b>	<b>\$43,563,000</b>
------------	---------------------

Using funding from the sale of land, reserve balances and contributions to capital reserves for 7 years, the planned projects can be funded without debt. The \$43 million balance remaining is available for potential projects in the conceptual stage. There will be a need for interim financing to a maximum of \$25,000,000 until the Cogswell lands are sold.

The table below provides an approximate timing of the projects in the planning stage, and the projected cash flow.

Project	Total	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
<b>Funding</b>	162,059	70,605	95,967	60,626	36,105	19,310	(10,473)	(20,436)	50,435
Halifax Multipad	15,800	-	23,000	10,800	(18,000)	-	-	-	-
Dartmouth Multipad	43,000	-	-	-	23,000	20,000	-	-	-
Dartmouth Sportsplex Renewal	22,000	2,000	20,000	-	-	-	-	-	-
Cogswell Street Interchange	-	-	-	17,860	17,860	15,650	12,630	(64,000)	-
50 Million 5 Year	16,667	-	3,333	3,333	3,333	3,333	3,333	-	-
<b>Closing Balance</b>	<b>64,592</b>	<b>68,605</b>	<b>49,633</b>	<b>28,633</b>	<b>9,912</b>	<b>(19,673)</b>	<b>(26,436)</b>	<b>43,564</b>	<b>50,435</b>

The recoveries shown for the Halifax Multipad and the Cogswell Street Interchange are conservative and subject to market at the time of sale.

The \$43 million remaining after 7 years will not be sufficient to fund all of the potential projects currently being considered. Budgeted contributions to capital reserves in years 8-15 will contribute \$50.9 million including interest.

Similar to the strategy used to fund the Harbour Solutions Project, to minimize debt a Strategic Capital Tax Surcharge of 1 cent on the general tax rate would generate \$4 million per year, or \$56 million over the 15 year plan, assuming a start in 15/16. This is \$22 on the average household, and \$138 on the average commercial account.

HRM has low debt, and there is capacity to borrow above the multi-year fiscal limits. An additional \$100 million would cost \$5.74 million per year. This is the equivalent of 1.5 cents on the general tax rate, and would increase debt servicing costs by 0.8% of revenue. How much of this \$100 million that would be needed is dependent on which of the potential projects proceed, and the degree of partnering involved.

These three sources of funding would yield up to \$250 million.

The funding plan is designed to address the projects identified with the financial resources available. Additional projects, or the allocation of these financial resources to other initiatives, will require modification of the plan by dropping a project or projects from the plan, or reducing spending elsewhere in the City's budget to free up funding.

Some of these projects will make existing infrastructure redundant. It is important, and will be identified in the individual business cases, that the redundant facilities be declared surplus and disposed of. Expedient disposition of old facilities allows the related operating funding to be redirected to new facilities, and avoids maintenance on aging, dilapidated facilities.

### **FINANCIAL IMPLICATIONS**

There is no financial implication for this report. Decisions on whether to proceed with any specific project, when to proceed, and the amount of debt financing, will be made on a project by project basis.

### **COMMUNITY ENGAGEMENT**

Community engagement will be a component of each project submission.

### **ENVIRONMENTAL IMPLICATIONS**

Environmental implications will be a component of each project submission.

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.html> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by : Greg Keefe, Director of Finance & ICT, 490-6308  
Original Signed

Financial Approval by: \_\_\_\_\_  
Greg Keefe, Director of Finance & ICT, 490-6308

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**HALIFAX**

# **Strategic Capital**

## **Planning and Infrastructure**

Regional Council – July 29, 2014  
(previously presented to the Joint  
Meeting of Community Planning and  
Economic Development & Audit and  
Finance Standing Committees on June 5,  
2014)

June 5, 2014

# Outline

- **Purpose of Discussion**
- **Set the Context**
  - City Vision
  - Council Priority Outcomes
  - Current Capital Budget
  - Current Capital Projects
- **Identify Projects**
- **Projects in the Planning Phase**
  - Funding
  - Timing
  - Summary – Planned projects
- **Discussion of Projects in the Concept Phase**
  - Funding
  - Priorities
- **Recommendations**

# Purpose of Discussion

- There are numerous large capital projects proposed or being discussed, the cost of which cannot be absorbed in the current funding level for Capital Projects
- HRM needs a plan for these projects that addresses:
  - **Links to Priorities**
    - Council Priority Outcomes, RP+5, Brand
  - **Spend for Impact**
    - Leverage investment in major infrastructure to advance other outcomes
  - **Funding models**
    - Sale of surplus properties, reserves, debt
    - Declare surplus and sell facilities made redundant by investment
  - **Partnerships**
    - Other Governments, Private Sector, Service Delivery Models
  - **Timing**
    - Dependencies, priorities, capacity

# City Vision

- **Does Halifax have a concrete vision for what the city will be in the long term?**
- **Major elements of a vision are in place:**
  - RP+5
  - Brand
  - Economic Development Strategy
  - Community Facilities Master Plan
  - Transit Asset and Service Plan – in Progress
  - Parking Strategy – in Progress
- **These should inform decisions for major infrastructure**



# Council Priority Outcomes

## Healthy Communities

- Public Safety
- Energy and Environment
- Recreation and Leisure
- Inclusive and Accessible Communities

## Transportation

- Transit Strategic Plan
- Transit Asset and Service Plan
- Integrated Transportation Plan

## Economic Development

- Regional Centre
- Economic Strategy
- Arts and Culture
- Regulatory and Service Culture
- Rural Economic Development
- Supply of Lands

# Current Capital Budget Overview

Gross Budget (in thousands)	13/14 Budget	14/15 Budget	15/16 Budget	16/17 Budget
State of Good Repair	72,526	86,285	107,045	94,570
Service Improvement	67,432	52,724	60,809	42,869
Growth	25,085	5,185	32,040	19,085
<b>Total</b>	<b>165,043</b>	<b>144,194</b>	<b>199,894</b>	<b>156,524</b>
Funding Status		Balanced	\$17.2M Deficit	Balanced

# Current Capital Budget

- The funding level for the current capital 3 year budget is committed.
- Transit requirements will decrease at the conclusion of the current technology investment. However Council committed to a decrease in the Transit Area Rate in 15/16 to account for this.
- There is some concern that our recapitalization numbers for roads and technology may be low, and will require additional funding
- Staff do not expect to be able to redirect any of this funding to the strategic projects

# The Large Projects – In the Planning Phase

- **Long Term Arena Strategy**
  - Halifax Multi-pad
  - Dartmouth Multi-pad
- **Dartmouth Sportsplex**
- **Cogswell Interchange**
- **\$50M, 5 Year Downtown Investment**
  - Includes Spring Garden Streetscape

# The Large Projects – Concept Phase

- **Police Station Renewal**
- **Fire Services Training Facility**
- **Stadium**
- **Library Facilities Plan**
- **Performing Arts Centre**
- **Commuter Rail / Fast Ferry**

# LTAS - Peninsula

## Idea

- Consolidate arenas with new multi-pad facilities on the Peninsula
- Close old arenas

## Rationale

- It is better to replace than refurbish very old arenas
- Multi-pad is the most efficient way to operate

## Council

- Part of LTAS approved August 14, 2012

## Cost

- Approximately \$33.8M
- Recovery sale of Forum site

## Impact

- RP+5 : Increase residential density on the peninsula by releasing forum land for development

## Opportunity

- Partnership with Canadian Forces Base Halifax and potentially Dal and SMU

# LTAS - Dartmouth

## Idea

- Consolidate arenas with new multi-pad facilities on Dartmouth
- Close old arenas

## Rationale

- It is better to replace than refurbish very old arenas
- Multi-pad is the most efficient way to operate

## Council

- Part of LTAS, approved by Council August 14, 2012

## Cost

- Approximately \$43M

## Impact

- RP+5 : Stadium, Transit, achieve walkable, complete communities and density

## Opportunity

- With a future stadium, seed development in Shannon Park, and seed creation of a Ferry Terminal at Shannon Park

# Dartmouth Sportsplex Upgrade

## Idea

- Modernization and expansion of the Dartmouth Sportsplex

## Rationale

- Improve impact for the community
- Improve revenue opportunities

## Council

- Approved as a strategic project for consideration by AFSC, April 15, 2014

## Cost

- Approximately \$22M

## Impact

- Ability to consolidate services and focus on the community

## Opportunity

- RP+5 complete communities, Transit
- Potential for facility rationalization



# Cogswell Interchange

## Idea

- Demolish the Cogswell Street Interchange repurpose the land for mixed-use development and public amenities

## Rationale

- Interchange is nearing end of useful life
- It is not needed, and the land can be put to better use

## Council

- Council approved issuing an RFP for developing Master Plan in 2009
- Cogswell Lands Plan endorsed by Executive Standing Committee, April 28, 2014 and Regional Council, May 13, 2014

## Cost

- NO net impact. Costs should be recovered from development

## Impact

- Centre Plan
- Downtown Development

## Opportunity

- Transit Hub and Parkland
- Integrate Downtown with North End Gateway/Halifax North
- Increased residential in the downtown

# \$50M, 5 year Downtown Investment

## Idea

- Leverage funds from the Provincial and Federal Governments to make needed investments in the downtown

## Rationale

- Help drive downtown development

## Council

- Project list endorsed by Council February 11, 2014
- Funds set aside in Project Budget, from Reserves, for 2014/2015 – 2018/2019

## Cost

- Approximately \$50M, although 2/3 share from other levels of Government

## Impact

- Centre Plan
- Downtown Development
- Convention Centre

## Opportunity

- To revitalize downtown through investing in key areas
- Partnerships with other levels of government as well as private developers

# Police Station Renewal /Lockups

## Idea

- Need identified for a new facility

## Rationale

- The current facility is old and not meeting needs
- If retained, will require an investment of \$15M to replace cells

## Council

- 2014/2015 budget accommodates a Strategic Plan that includes facilities review

## Cost

- Estimate \$60,000,000
- Suitable for Debt financing

## Impact

- Centre plan
- Safe Communities
- RCMP

## Opportunity

- Land at existing site will be made more valuable by Cogswell project
- Police structure / provincial force

# Fire Services Training Facility

## Idea

- Need identified for a training facility

## Rationale

- Existing facility (non-HRM) is at end of life

## Council

- Business Case is a deliverable of the 2014/2015 FES Business Plan
- \$1,000,000 in the Capital plan for land acquisition in 2015/2016

## Cost

- Estimate \$30,000,000

## Impact

- Safe Communities

## Opportunity

- This is a province wide need so there may be potential partners from the Province, other municipalities, Federal Government and HIAA

# Stadium

Idea	<ul style="list-style-type: none"><li>• There is a desire for a multi-use stadium.</li></ul>
Rationale	<ul style="list-style-type: none"><li>• Halifax is now large enough to support a stadium</li></ul>
Council	<ul style="list-style-type: none"><li>• Although Council rejected the idea in March 2012, they directed staff to monitor and potentially revisit</li></ul>
Cost	<ul style="list-style-type: none"><li>• Estimate \$60,000,000</li><li>• Suitable for Debt financing</li></ul>
Impact	<ul style="list-style-type: none"><li>• Centre Plan, Transit</li></ul>
Opportunity	<ul style="list-style-type: none"><li>• With a multi-pad arena, seed development in Shannon Park, and seed creation of a Ferry Terminal at Shannon Park</li><li>• Will need cost sharing from other levels of Government and the private sector</li></ul>

# Library Facilities Plan

## Idea

- The Library Board has submitted a multi-year plan for future facilities

## Rationale

- Modern libraries need a regional infrastructure

## Council

- Library Board developed multi-year facilities plan

## Cost

- Estimate \$60,000,000

## Impact

- Healthy Communities

## Opportunity

- Co-location with other facilities

# Performing Arts Centre

## Idea

- Halifax is now large enough to have a 2,500-3,000 seat performing arts centre

## Rationale

- There is no venue for attractions too large for the Cohn, but not appropriate for Metro Centre

## Council

- Approved a grant to performing arts society towards an arts venue feasibility study, June 25, 2013.

## Cost

- Estimate \$60,000,000
- Suitable for Debt financing

## Impact

- Arts and Culture

## Opportunity

- Partnership with Universities, NGOs and the private sector

# Commuter Rail / Fast Ferry

## Idea

- Halifax needs to more efficiently move people from the commuter shed to their workplace
- Establish commuter rail on existing rail corridors to downtown

## Rationale

- Rail is used elsewhere to achieve this.
- The Harbour is a resource that could be leveraged

## Council

- Approved funds in 2012 for Commuter Rail Feasibility Study

## Cost

- Rough estimate \$31 million from Feb 2011

## Impact

- Integrated Transportation Plan
- Transit
- Parking Strategy

## Opportunity

- Existing rail lines
- Harbour



# Links to Council Priorities

	RP+5	Healthy Communities	Economic Development	Transportation / Transit
Halifax Multipad	X	X		
Dartmouth Multipad	X	X		
Dartmouth Sportsplex Renewal	X	X		X
Cogswell Street Interchange	X		X	X
50 Million 5 Year Downtown Investment	X		X	
Police Station Renewal/Lock-ups	X	X		
Fire Services Training Facility		X		
Stadium	X			X
Library Facilities Plan		X		
Performing Arts Centre			X	
Commuter Rail / Fast Ferry				X

# Funding Sources - Reserves

- **Capital Reserves Have \$30,694,702 available**
  - Sale of Assets: -\$1,351,394
  - Strategic Growth: \$21,065,732
  - Central Library: -\$302,105
  - Regional Facility Expansion: \$11,282,375
- **The operating budget includes a \$5,000,000 annual contribution to Strategic Growth and a \$1,000,000 annual contribution to Regional Facility Reserve**

# Funding Sources – Sale of Properties

- **Planned for 14/15: \$33,296,000**
  - Bloomfield
  - 3<sup>rd</sup> Queen Street Site
  - Red Cross Building
  - Bayne Street
  - St. Pats Alexandra
- **Potential Sales: \$31,290,000**
  - St Pat's High
  - Alderney and Ochterloney lot
  - Lyle Street
  - Sale of 4 arenas in Halifax, Dartmouth, Bedford

# Partnerships

- **The Planned projects assume the following partnerships:**
  - Cost sharing with the Federal and Provincial governments on the \$50M, 5 year downtown investment
  - Canadian Forces Base Halifax for the peninsula multi-pad
- **Partnerships need to be considered and recruited for all projects of this magnitude**
  - Stadium
  - Performing Arts Centre
  - Fire Services Training Facility
  - Police Station Renewal

# Timing

Project	Total	14/15	15/16	16/17	17/18	18/19	19/20	20/21
<b>Funding</b>	141,030	70,605	95,967	60,626	36,105	19,310	(10,473)	(20,436)
Halifax Multipad	15,800	-	23,000	10,800	(18,000)	-	-	-
Dartmouth Multipad	43,000	-	-	-	23,000	20,000	-	-
Dartmouth Sportsplex Renewal	22,000	2,000	20,000	-	-	-	-	-
Cogswell Street Interchange	-	-	-	17,860	17,860	15,650	12,630	(64,000)
\$50M 5 Year Downtown Investment	16,667	-	3,333	3,333	3,333	3,333	3,333	-
<b>Closing Balance</b>	<b>43,563</b>	<b>68,605</b>	<b>49,633</b>	<b>28,633</b>	<b>9,912</b>	<b>(19,673)</b>	<b>(26,436)</b>	<b>43,563</b>

The recoveries shown for the Halifax Multi-pad and the Cogswell Street Interchange are conservative and subject to market at the time of sale.

# Summary of Planned Projects

Funding:	
Reserves	\$76,444,000
14/15 Land Sales	\$33,296,000
Potential Land Sales	\$31,290,000
Subtotal:	\$141,030,000
Planned Projects	-\$97,467,000
<b>Net</b>	<b>\$43,563,000</b>

Using funding from the sale of land, reserve balances and contributions to Capital reserves for 7 years, the planned projects can be funded without debt. The \$43 million balance remaining is available for projects in the conceptual stage.

There will be a need for interim financing to a maximum of \$25,000,000 until the Cogswell lands are sold.

# Discussion of Projects in Concept Phase

- **Have we missed any?**
- **For each of the projects in the conceptual stage:**
  - Is this something the city should consider in the next 10-15 years?
  - Rate in terms of priority
    - High, Medium, Low
  - Rate in terms of timing
    - 5 years, 10 years, 15 years

# 15 Year Funding Plan

- Available from Capital and Strategic Reserves: \$94M
- Available from proposed Strategic Capital Tax Surcharge: \$56M
  - 1 cent on the tax rate yields \$4M annually
- Available from proposed additional Debt: \$100M
  - Debt servicing Cost of \$5.74M annually will add 1.5 cents on tax rate.
  - Will increase Debt Servicing Percentage by approximately 0.8%
- This will create funding of \$250M for these potential projects
- There will also be an impact on operational costs for new assets, and potentially for replacement assets.
  - This will add a 1/4 cent pressure on the tax rate for every \$1 million in additional operating costs.
- Decommission facilities made redundant by new facilities



# Facilities in Other Select Cities

	Halifax	Ottawa	Montreal	Winnipeg	Boston	Cleveland	Austin
Aquarium					X	X	X
Convention Centre	X	X	X	X	X	X	X
Stadium		X	X	X	X	X	X
Art Gallery	X	X	X	X	X	X	
Parks & Activities	X	X	X	X	X	X	X
Ballet				X			X
Museums	X	X	X	X	X	X	X

# Priority Matrix

Project	Explore (Y/N)	Priority (H,M,L)	Time (5,10,15)
Police Station	Y	H	5
Fire Training	Y	M	10
Stadium	Y	M	10
Library Facilities	Y	M	15
Performing Arts	?	?	?
Commuter Rail/ Fast Ferry	Y	M	15

**NOTE: This is a decision to explore and develop a plan, not to proceed**

# Recommendations(1):

- Approve the use of the Capital Reserves Q101 Sale of Assets; Q126 Strategic Growth; Q139 Central Library Repayment Reserve; and Q145 Regional Facility Expansion Reserve to fund the Planned Strategic Projects and the Potential Strategic Projects should they proceed.
- Dedicate the net proceeds from the sale of Bloomfield, 3<sup>rd</sup> Queen Street Site, Red Cross Building, Bayne Street and St. Pat's Alexandra to fund the Planned Strategic Projects should they proceed.
- Dedicate the net proceeds from the potential sale of St. Pat's High, Alderney and Ochterloney lot, Lyle Street and the arenas made surplus by the Long Term Arena Strategy for interim financing of Planned Strategic Projects and funding of Potential Strategic Projects .
- Approve amending the Multi-Year Fiscal Plan to permit up to \$100,000,000 of debt financing above the limits set by that plan for the Potential Projects.
- Approve adding 1 cent to the general tax rate as determined by the 15/16 budget. The proceeds are to be placed in the Q126 Strategic Growth reserve to fund Potential Strategic Projects.

# Recommendations (2)

- Approve adding the Library Facilities Plan to the scope of work for the Community Facility Master Plan review so the timing and placement of these potential facilities can be considered in context with other HRM facilities.
- Direct staff to recommend funding in the 15/16 Capital Budget to:
  - Complete feasibility study, business case and Class C costing for the Police Station Renewal and Fire Services Training Facility
  - Develop business model and partnerships for a stadium and supporting infrastructure for presentation to the Executive Committee in June 2014
  - Perform a needs assessment, feasibility study and identify potential partners and service delivery model for a Performing Arts Centre
- Approve the Planned Strategic Projects referenced in these recommendations as Halifax Multi-pad; Dartmouth Multi-pad; Dartmouth Sportsplex; Cogswell and the \$50 million, 5 Year Downtown Investment.
- Approve the Potential Strategic Projects referenced in these recommendations as the Police Station Renewal; Fire Services Training Facility; Stadium; Library Facilities Plan; Performing Arts Centre or Commuter Rail / Fast Ferry.

# Thank You

Strategic Capital

June-5-2014

The HALIFAX logo is positioned on a blue geometric background consisting of overlapping trapezoidal shapes in various shades of blue. The word "HALIFAX" is written in a bold, white, sans-serif font, centered within the darker blue area of the logo.

**HALIFAX**

# HALIFAX

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

**Item No. 14.1.11**  
**Halifax Regional Council**  
**June 20, 2017**

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

Original Signed by 

**SUBMITTED BY:** \_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** June 9, 2017

**SUBJECT:** **Indoor Ice Surfaces Review**

## **ORIGIN**

July 29, 2014 Regional Council meeting motion:  
MOVED by Councillor Mason, seconded by Deputy Mayor Fisher:

1. That Halifax Regional Council direct staff to commence planning for the renovation of the Halifax Forum in as a multiyear planned strategic project based on the Forum Community Association submission and developed to ensure best design, plan, and possible on site partnerships for the forum site including possible mixed use opportunities, targeted for completion in 2019.  
**MOTION PUT AND PASSED**
2. That Halifax Regional Council direct staff to declare the Devonshire arena building surplus to recreation needs upon completion of the Dartmouth 4-pad complex and direct staff to initiate the process to demolish the building and retain the land for future recreation needs.  
**MOTION PUT AND PASSED UNANIMOUSLY**
3. That Halifax Regional Council direct staff to commence planning for the construction of a 4-pad arena in Dartmouth at Commodore Drive as a planned strategic project to replace the Gray, Bowles, Lebrun arenas targeted for completion in 2017.  
**MOTION PUT AND PASSED UNANIMOUSLY**
4. That Halifax Regional Council direct staff to declare Gray, Bowles, and Lebrun arenas surplus to recreation needs upon the completion of the Dartmouth 4-Pad arena and direct staff to review the properties under Administrative Order 50.  
**MOTION PUT AND PASSED UNANIMOUSLY**
5. That Halifax Regional Council direct staff to continue to explore funding from other levels of government and potential private sector partners.  
**MOTION PUT AND PASSED UNANIMOUSLY**

.....Recommendations on Page 2

July 29, 2014 Regional Council meeting motion:

MOVED by Councillor Mason, seconded by Deputy Mayor Fisher that Halifax Regional Council:

...

3. Dedicate the net proceeds from the potential sale of St. Pat's High, Alderney and Ochterloney lot, Lyle Street and the arenas made surplus by the Long Term Arena Strategy for interim financing of Planned Strategic Projects and funding of Potential Strategic Projects.

### **LEGISLATIVE AUTHORITY**

*HRM Charter*, sections 61, 63, and specifically 79(1)(k), (x), and (ah):

79(1) The Council may expend money required by the Municipality for:

(k) recreational programs;

(x) lands and buildings required for a municipal purpose;

(ah) playgrounds, trails, including trails developed, operated or maintained pursuant to an agreement made under clause 73(c), bicycle paths, swimming pools, ice arenas and other recreational facilities.

Administrative Order Number 50, the Disposal of Surplus Real Property Administrative Order.

### **RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Categorize the Gray Arena as "Community Interest" under Administrative Order 50 and undertake the disposal process for the property;
2. Operate the Gray Arena for the 2017/18 prime season and adjust the rental rate to be consistent with the rates at Cole Harbour Place, should the arena be required pursuant to decisions regarding construction timelines at Cole Harbour Place, as outlined in this report;
3. Categorize the Bowles Arena as "Extraordinary" under Administrative Order 50 and give notice to the adjacent property owner that the property is surplus to municipal requirements and that the property owner shall have thirty (30) days to respond in writing of its intent to purchase or not to purchase in accordance with the Right of First Refusal and Agreement dated January 1, 2014; and in the event the adjacent property owner advises in writing of its intent to not to purchase the Bowles Arena, categorize the Bowles Arena as "Community Interest" under Administrative Order 50 and undertake the disposal process for the property;
4. Consider funding in the 2018/19 capital budget for the demolition of the Devonshire Arena and retain the property for future municipal recreation usage;
5. Retain the Lebrun arena for the 2017/18 season and adjust rental rate to be consistent with both 4-Pad arenas to allow for a transition period;
6. Direct staff to return to Regional Council with usage and other related statistics following the 2017/18 season to confirm the future of the Lebrun Arena; and
7. Direct staff to complete additional analysis on the Halifax Forum project including further building condition assessment and related renovation feasibility, as well as the potential for a future Dalhousie University arena, and report back to Regional Council prior to undertaking the project.

### **BACKGROUND**

On August 14, 2012, Regional Council approved the Long-Term Arena Strategy (LTAS). Its purpose is to guide long term facility planning and decision making regarding municipal arenas through to 2022. The LTAS found that the overall use of arenas was declining while several facilities were outdated and in poor condition. One of the primary recommendations of the LTAS was to replace many of these arenas, which are often comprised of single ice surfaces, with new multi-pad (multi-surface) arenas.

At the time of the strategy's development, there were 26 ice surfaces in operation in HRM (6 privately owned and 20 owned by HRM). However, the LTAS acknowledged that Dalhousie University's arena was closing (and has occurred) which would result in reducing HRM's inventory to 25 ice surfaces. The LTAS recommended that there was no need for additional ice surfaces beyond 25.

With Regional Council's adoption of the LTAS, a rationalization of HRM's ice surfaces was initiated. After deliberating several options, including a proposal from the Halifax Forum Community Association, and partnership proposals from Dalhousie/Saint Mary's Universities and Department of National Defence, Regional Council passed motions to:

- commence planning for the renovation of the Halifax Forum in a multiyear planned strategic project based on the Halifax Forum Community Association submission (which is to include a total of three ice surfaces);
- commence planning for the construction of a 4-Pad arena in Dartmouth;
- close and demolish the Devonshire arena upon completion of the 4-Pad arena in Dartmouth and repurpose the lands for recreation purposes; and
- declare the Gray, Bowles, and Lebrun arenas surplus to recreation needs upon the completion of the 4-Pad arena in Dartmouth and direct staff to review the properties under Administrative Order 50 (meaning they would be considered for disposal or alternative community uses).  
(The actual motions are found on page 1 of this report.)

The construction of the 4-Pad arena in Dartmouth is nearing completion and HRM has commenced planning for the renovation of the Halifax Forum. As the construction of the 4-Pad arena in Dartmouth has advanced and the closure of the Devonshire, Gray, Bowles, and Lebrun arenas are impending, Regional Council has asked staff for an update on the analysis to confirm the required number of ice surfaces both during the deliberations on the Parks and Recreation 2017/18 budget as well as during the debate on the Community Facility Master Plan 2.

## **DISCUSSION**

This report, along with its accompanying *2017 Indoor Ice Surfaces Review (Attachment A)*, outlines analysis on the number of ice surfaces that are required in HRM, provides updated information about the usage of the arenas that have been identified for closure, and discusses progress and next steps regarding the Halifax Forum.

The municipality provides ice surfaces for a variety of users of all ages and skill levels to participate in sport, recreation and public programming. Municipal ice surfaces provide a regional service. They are not intended to exclusively serve a specific community and are accessed by users in a variety of locations throughout the region.

Currently, there are 24 ice surfaces operating within HRM (four of these facilities are privately owned and operated). However, the number of ice surfaces alone is not the only factor when considering the appropriate service provision. Other considerations include:

- Ensuring facilities are well planned, utilized, and managed efficiently;
- Responding to trends and changing demographics;
- Designed to be welcoming to a broad range of users; and
- Provided in a financially responsible manner.

## **Trends**

Despite HRM's population growth, the overall number of the registrants for ice sports is generally flat when compared to 2011/12 (Attachment A). This is partly explained by demographic trends that show an aging



population in HRM. In addition, ice sports are not necessarily popular with new Canadians who are contributing to HRM's recent population growth.

The 2012 LTAS indicated that overall use of arenas is declining. However, there is still strong demand for prime time ice hours. This demand appears to be coming from a growing trend of overspecialization of sport by children, which is occurring across Canada. This is characterized by a high volume of practice time and a focus on performance at an early age. The "Get More from Sport Campaign" has been developed through Sport Nova Scotia, Hockey Nova Scotia and Soccer Nova Scotia to address negative aspects of this trend such as burn out, injury, and impacts to overall child development. The time commitment, increased costs, injury, and the focus on performance may be discouraging new growth in ice sports, particularly hockey. However, the increased practice time associated with the overspecialization trend results in increased requests for prime time ice hours, beyond the Standards of Fair Play. This appears to be reducing the use of prime time ice hours for adult usage, recreation, and public programming (see Equitable Distribution of Ice Time below).

HRM is in the process of implementing a new recreation software system which will include a centralized scheduling component. This will improve the ability to monitor trends and potential impacts on bookings, ice allocation, and the overall service provision.

It is noted that female minor hockey has been growing and has established a separate association which will be in place for the 2017/18 season. This will not necessarily result in increased demands for bookings as a portion of the total hours previously allocated to minor hockey will now be assigned directly to the female association.

### **Equitable Distribution of Ice Time**

The appropriate service provision of ice surfaces is dependent on the management of ice time toward balance, fairness and access for a broad range of users, ages and skill levels. Municipal ice surfaces are not provided for one specific club, age group, skill level or sport. However, most users want similar prime-time ice (September to March - 4:00 p.m. to 10:00 p.m., Monday to Friday; and, 6:00 a.m. to 10:00 p.m., Saturday and Sunday) within a 30-week season. If a balance is not achieved among users, it can create a perception of a lack of service provision.

### Community Access Plan

To address greater equity, Regional Council adopted a Community Access Plan (CAP) in 2012 across all municipal ice surfaces. The CAP establishes how HRM ice is to be allocated during the prime-time in-season period.

The CAP and the Standards of Fair Play (standards set by the sport governing bodies) are intended to provide balance, fairness and access to a variety of users, including underserved groups. The Standards of Fair Play sets the appropriate allocation of hours based on the age and skill level within a sport. Through the CAP, HRM aims to accommodate users toward reaching the standard of fair play while factoring in requests from new emerging and underserved groups. The allocation of ice time requires a collaborative process amongst groups to ensure that users are accommodated.

The CAP outlines that prime-time hours should be allocated as follows:

- 55 percent to core programming (i.e. minor sports);
- 30 percent to adult groups; and
- 15 percent to public programming (i.e. public skates, shinny, recreation programs)

However, despite the generally flat growth of minor sports, they are using significantly more prime time ice than what was set out in the CAP. Public programming and adult programming are using significantly less ice time than what was intended. Consequently, scheduling data indicates that the current ice allocation for prime-time use is:

- 72 percent to core programming (i.e. minor sports);
- 14 percent to adult groups;
- 5 percent to public programming (i.e. public skates, shinny, recreation programs);
- 3 percent to individuals or private bookings; and
- 6 percent is unused.

The impact of this imbalance is an unintended replacement of recreational ice usage by elite or specialization sport usage. HRM needs to correct the imbalance of usage to be more inline with the allocations outlined in the CAP which meet the Standards of Fair Play outlined by the governing sport bodies.

The imbalance will be addressed by taking steps to allocate prime-time in accordance with the CAP allocation with time allocated for adult programming and public programming during the in-season prime-time period. That will ensure that sufficient time is provided for recreational usage and that allocation for minor sports still meet Standards of Fair Play. Some level of overspecialization is still expected to occur as any unused allocated time will be made available for any group to book. However, the balance between recreational usage and sport development will improve. In addition, the popularity of the Emera Oval continues to provide outdoor access for public skating.

### **Required Number of Ice Surfaces in HRM**

The 2012 LTAS established that 25 ice surfaces would meet HRM's requirements. However, in August 2014, the Department of National Defence announced the closure of the Shannon Park arena reducing the number of ice surfaces to 24. This sudden closure had a short-term impact and inconvenience on users who had to find alternate locations. However, over the past three years users were accommodated in other facilities. The Indoor Ice Surfaces Review notes that the Shannon Park closure did not significantly increase usage at the Gray, Bowles, Devonshire, and Lebrun facilities.

HRM's Community Facility Master Plan 2 (CFMP2) does not recommend additional ice surfaces beyond the 24 currently in operation. However, it also recommends that year-round usage and inventory requirements continue to be monitored.

Regarding the demand for ice time, the 2017 Indoor Surfaces Review (Attachment A) highlights that:

- An inventory of 24 ice surfaces can meet recreational requirements.
- The overall usage of ice surfaces (within the current service provision) is 94%, meaning that 6% of the time (85.25 hours per week) are unused during the prime-time in-season period in 2016/17.
- Non-prime time usage continues to decline. Evening non-prime time usage declined from 59% usage in 2011/12 to 55% usage in 2016/17. Early morning non-prime time usage declined even more from 39% usage in 2011/12 to just 22% in 2016/17. As a result, there is significant amount of time available in the non-prime time hours.
- The Gray, Bowles, Devonshire, and Lebrun arenas have reduced their operating times due to lack of demand and have reduced prime and non-prime availability.
- The experience with the BMO Centre has confirmed the findings outlined in the LTAS that new multi-pad arenas result in significant efficiencies with an increased availability of ice time.

### Ice Allocation

In order to achieve a balanced ice allocation, HRM staff work with all arena operators to schedule user groups based on the Standards of Fair Play for the winter season. While the opening of the BMO 4-Pad in Bedford provided net new arena time due to a deficit of ice surfaces at the time, the opening of the new Dartmouth 4-Pad was confirmed to be a replacement of existing, older arenas. Therefore, with the opening of the new Dartmouth 4-Pad and pending closures of the four stand-alone arenas, the 2017/18 process provides an opportunity to review the ice allocations and distribution for all user groups, not just those displaced as a result of arena closures.

Through the allocation process, HRM staff worked with the arena operators to review locations in an effort to try to reallocate bookings to groups, where possible based on geography, travel time, etc. As noted, municipal arenas are regional in nature and not intended to exclusively serve a specific community. With the regional distribution of the arenas, some realignment of scheduling was possible. However, with multiple groups in some areas, providing exclusive access to local groups is not possible, nor in accordance with Council's direction in the LTAS.

Through the ice allocation process, all requested bookings can be met with the service provision of 24 ice surfaces. Not all users would receive their preferred time or location, however, the efficient use of the network of arenas ensures that all requests for ice time can be met.

### Transition Period

With maintenance and repair work required at the Cole Harbour Scotia 1 ice surface in the off-season over the next three years, along with questions being raised in the community regarding the availability of ice at the Rocky Lake Dome for the upcoming season, it is recommended that HRM retain one of the surplus arenas for a transition period during the 2017/18 season in advance of any permanent closure of the fourth arena. That would result in the arena inventory being increased from the current level of 24 to 25, consistent with the 2012 LTAS. While the CFMP2 and the ice allocation process have confirmed that the existing inventory of 24 arenas can meet recreation requirements, providing an inventory of 25 sheets of ice would allow for a smoother transition for users and further assessment of facility usage, including the provision of dry-floor availability for sports such as lacrosse and ball hockey.

Based on a review of the four surplus arenas, the Lebrun Arena is recommended to be retained for the transition period due to the fact that it is attached to a community centre, both of which are located on one land parcel. To provide consistency, it is recommended that the ice rental rates for Lebrun be aligned consistent with the 4-Pad arenas during the transition period. This would ensure that all user groups pay the same rate and scheduling is based on need for ice rather than pricing. This would result, as an example, in the youth prime time rate for the Lebrun Arena increasing from \$190.00 per hour to 224.15 per hour. Currently, a fee review for all municipal recreation facilities is getting underway which includes a review of all ice pricing for HRM arenas.

With specific regard to the Cole Harbour facility's maintenance and repairs, the current off-season construction project schedule is anticipated to have minimal impact on its availability for booking. However, there may be merit to fast-tracking repairs through the 17/18 prime season. To enable consideration of a revised construction approach, staff is seeking Council's authority to operate the Gray Arena for the 2017/18 prime season and adjust the rental rate to be consistent with rates at Cole Harbour Place, should the arena be required pursuant to decisions regarding construction timelines at Cole Harbour Place.

### **Gray, Bowles, Devonshire, and Lebrun Arenas**

The LTAS recommended the consolidation of aging stand-alone arenas into new multi-pad facilities to improve service, efficiency, and financial responsibility. The Gray, Bowles, Devonshire, and Lebrun represent the four municipal stand-alone ice surfaces that were directed by Regional Council to be declared surplus upon completion of the new 4-Pad arena in Dartmouth (July 29, 2014 Regional Council meeting).

There are several factors which outline service delivery will be improved once these arenas are replaced by the new 4-Pad arena, including:

- The average age of these four facilities is 44 years;
- They have reduced operating hours compared to other arenas;
- They have the most unused prime time ice;
- There is no ice available in these facilities for five months of the year; and
- They have combined deferred maintenance of 3.8 million dollars.

Deferred maintenance increases the risk of unexpected service disruptions impacting access for users. As the facilities continue to age, the risk for unexpected closures increases.

The reduced operating hours in these four facilities means that there will be more capacity available in the new 4-Pad arena in Dartmouth due to its increased and consistent operating hours. In addition, these facilities were not originally designed to meet current user expectations or standards such as additional dressing rooms for a greater inclusion of varied gender participation.

#### AO50 Respecting the Disposal of Surplus Real Property

Administrative Order 50 (AO50) outlines the process for disposal of surplus properties by HRM. Regional Council has completed the first step by declaring the four arenas (Gray, Bowles, Devonshire and Lebrun) as surplus at its July 29, 2014 meeting. To initiate the disposal process, the properties must be categorized pursuant to AO50.

*Devonshire Arena* - Regional Council's direction is to declare the Devonshire arena building surplus to recreation needs upon completion of the Dartmouth 4-Pad complex and direct staff to initiate the process to demolish the building and retain the land for future recreation needs. A site suitability assessment has confirmed that the Devonshire property can accommodate the future redevelopment of the Needham Community Recreation Centre. Therefore, HRM will demolish the building and retain the property. While the planning work for the Needham Community Centre replacement will take time, there is a cost (estimated at 150 to 200K/year) to maintain the vacant building. Therefore, it is recommended that staff be directed to consider funding in the 2018/19 capital budget for the demolition of the building.

*Gray and Bowles Arenas* – AO50 outlines the Community Interest stream for properties that are "...known to have potential for community use...". Both staff and councillors have been contacted by groups interested in both arenas for potential community and private use. It is recommended that the Gray Arena be categorized as Community Interest under the AO50 process.

The Bowles Arena is subject to a right of first refusal at market value at time of sale in favour of the neighboring property owner. The first right of refusal stems from a contract between the municipality and the property owner. Given the unique legal nature of the contract, it is recommended that the Bowles Arena be categorized as Extraordinary and that the property owner be given thirty (30) days to respond in writing with its intent to purchase or not purchase the property. The purchase price is to be determined by an appraisal.

If the property owner does not exercise its right of first refusal, it becomes null and void, and the property would be further categorized as Community Interest under the AO50 process.

*Lebrun Arena* – As noted, the Lebrun Arena is physically attached to an operational community centre with both buildings located on one land parcel. In addition, it includes a long-term occupant within a third building component attached to the facility (Lion's Den), all of which add to its complexities of being able to be immediately considered through the AO50 process. Therefore, the Lebrun Arena is the best choice of arena to be maintained for a transition period.

#### **Halifax Forum – Halifax Forum Community Association Proposal**

In addition to the approval of the new Dartmouth 4-Pad and subsequent closure of the four stand-alone, aging facilities, Regional Council also provided direction regarding the renovation and expansion of the Halifax Forum. Regional Council's direction regarding the Halifax Forum is to begin planning to renovate the existing facility and establish a new third ice surface, pursuant to a proposal from the Halifax Forum Community Association (HFCA), which operates the facility (Attachment B).

As a required part of its due diligence, HRM staff have completed detailed assessment of the building to determine its capability to support the proposed expansion. In addition, pursuant to the Auditor General's recommendation regarding third party proposals, a third-party audit of the HFCA's business case has been

completed. Finally, staff have completed preliminary assessment of mixed use opportunities on the site, as directed by Regional Council. A summary of these reviews is as follows:

#### Building Assessment

The Halifax Forum is a registered heritage building. The addition of a third sheet of ice and renovation of the existing arenas, along with refurbishment of the heritage building, will be a challenging project. Therefore, a detailed building assessment was completed. It notes, based on preliminary information, that there are limitations and risks with regards to renovating the building due to its heritage status, code compliance, and complexity based on the proposal to work within the existing structure. It found that there are issues with some elements of the building. For example, the HFCA submission includes repointing the exterior brick of the Forum. However, the building assessment notes that the exterior brick is in poor condition including extensive areas of cracked and spalling brick, deteriorating mortar and bowing walls which will likely require considerable repair or replacement. Based on the findings, a more detailed assessment of some aspects is required before proceeding with the renovation. HRM staff are undertaking this more extensive assessment.

#### Business Case Audit

Stantec Consulting was hired to complete the third-party, independent audit of the HFCA business case for the renovation and expansion of the facility. The audit review indicated that the proposed redevelopment of Halifax Forum Complex would restore a Halifax landmark while augmenting recreation opportunities (Attachment C).

A summary of the consultant's business case review notes that in the absence of a detailed building assessment, the evaluation confirms that the overall cost estimates are realistic within a reasonable margin of error. However, it notes that the HFCA redevelopment proposal lacks detail on certain aspects. Most notably, it is not clear how the proposal plans to deal with significant challenges of restoring the large arched windows of the Forum Building.

The age and history of ad hoc development on the site presents challenges regarding the proposed redevelopment plans. The audit indicates that if the redevelopment process proceeds it should be done in a phased approach that will permit ongoing operation of two ice surfaces.

The HFCA business case is dependent on bingo revenues. Bingo operations are the primary revenue source for the HFCA and are critical to the business case. Without this revenue, it would significantly decrease the ability to operate the facility in a financially sustainable manner. It should be noted that there has been an overall trend of declining bingo participation across many communities. If societal gaming habits were to continue to alter over time, it would further decrease the viability of bingo revenue as a sustainable revenue source.

In addition, approximately one-third of the arena ice revenue is received from Dalhousie and Saint Mary's Universities. Currently, the Universities use both prime time and non-prime time ice throughout the week in both the Civic and Forum arenas. As a result, any reduction in the use of the Halifax Forum by the universities could impact the business case, unless the times used by the universities are replaced with other bookings.

#### Mixed Use Opportunities

A review of the site indicates that there could be residential mixed use infill potential on the site with a strong market for multi-unit residential development in the immediate vicinity. The northeast corner of the site accessed by Young Street would be the most suitable. However, the addition of a third ice sheet will increase parking requirements on the site, over and above current parking needs. Therefore, incorporating any proposed mixed-use opportunities would create substantial challenges in terms of access and parking on the site. As a result, it could impact the effectiveness of the Halifax Forum's recreation function. Therefore, a better focus for mixed use opportunities is to explore compatible services within the expanded

Halifax Forum facility, such as retail and food services, that would be part of a redevelopment of the site, making it consistent with HRM's other multi-pad arenas.

#### Impact of a Potential University Arena

As noted, Regional Council considered a proposal to enter into a partnership with Dalhousie and Saint Mary's universities to construct a two-pad in the south end of the Halifax Peninsula. However, Council chose to approve a redevelopment and expansion plan for the Halifax Forum. Since that time, Dalhousie University has announced its intention to build a new arena adjacent to its campus. Preliminary information indicates that the proposed facility will include a NHL sized ice surface with six team dressing rooms, a referee room, a lobby and service area, and spectator seating. The facility is to serve both varsity sports and the broader community. A site has been selected and the project is currently in the fundraising phase. However, there has been no definitive timeline announced for the project.

As noted, currently university hockey is played at the Halifax Forum. A new university arena would add to the overall ice surface inventory and consequently reduce the demand for ice time that is currently being booked at the Halifax Forum. If Dalhousie proceeds with its plans to construct the facility it may impact the HFCA proposal business case as a significant number of rentals would move from the Halifax Forum, thereby reducing its ice revenue by approximately one-third. The HFCA submissions vision states that "any new or existing facility expansion should not be undertaken in competition with existing facilities and services." Therefore, confirmation of the potential future Dalhousie arena is needed prior to proceeding with the expansion to the Halifax Forum.

Due to unknowns regarding the potential private arena developments and the cost risks associated with renovating an older structure and heritage building, additional time is required to confirm Dalhousie's intentions and further assessment of the existing building to provide a more extensive assessment of cost estimates. Therefore, it is recommended that Regional Council direct staff to complete additional analysis on the Halifax Forum project including further building condition assessment and related renovation feasibility, as well as the potential for a future Dalhousie University arena, and report back to Regional Council prior to undertaking the project.

#### **FINANCIAL IMPLICATIONS**

There is a financial implication of retaining the Lebrun arena for 2017/18, currently estimated at \$325K. As noted in the Discussion section, staff is recommending that the rental rates at Lebrun be made consistent with the 4-Pad arenas. With increased fee revenues and a projected increase in ice rentals due to additional ice availability, the additional operating costs are projected to be absorbed without an increase to the 2017/18 operating budget.

HRM will be required to maintain the other three arenas until they are demolished (Devonshire) or disposed (Gray and Bowles). The estimated costs to maintain the vacant buildings is \$500,000 annually. These costs were factored into the recently approved two year (2017/18 and 2018/19) budgets.

The net proceeds for the sale of any of the properties will be allocated to the reserve for Planned Strategic

#### **Opportunity Reserve – Strategic Capital Reserve, Q606**

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 these arenas. Withdrawals from the reserve, as outlined in the report of July 2014 include items such as Dartmouth Multi-Pad, Dartmouth Sportsplex and Cogswell Interchange. The net proceeds for the sale of these arenas are currently budgeted as a contribution to the reserve in 2018/19 fiscal year.

Projects, as directed by Regional Council at the July 29, 2014 meeting. Since the approval of that motion, Regional Council has revised its reserves, merging several related to strategic capital projects. Strategic Capital Reserve, Q606, includes funding for both planned and potential strategic capital projects with the main funding stream being revenue from the sale of specific surplus properties, including the surplus arenas. The amount of revenue realized from the sales could be impacted by the categorization of the property as the community interest stream permits the sale of the property for an amount below market value.

## **RISK CONSIDERATION**

There are no significant risks associated with the recommendations in this report. The risks considered rate low. To reach this conclusion consideration was given to operational, financial and strategic risks. The recommendations help to mitigate various risks and there are greater risks associated with not approving the recommendations.

There are some risks associated with providing a smooth transition of users to the new 4-Pad facility. This risk is being mitigated by recommending that Lebrun Arena be retained for a transition period for the 2017/18 season.

The age of the Halifax Forum structure, complexity of the redevelopment, unknowns regarding private arena developments, and the dependency of the business case primarily on bingo revenues are high risks to this project. The risk is being mitigated through the recommendation to complete additional analysis on the Halifax Forum project including further building condition assessment and related renovation feasibility as well as potential future Dalhousie University arena and impact on arena inventory requirements.

There is a financial risk to retaining all four older stand-alone municipal arenas in addition to the multi-pad facility as it would create unnecessary capacity, operating and maintenance costs. This risk is being mitigated through the recommendations confirming Regional Council's direction to declare the arenas as surplus to municipal requirements.

## **COMMUNITY ENGAGEMENT**

The 2017 Indoor Ice Review is an update to the Long-Term Arena Strategy. Ongoing stakeholder feedback is received throughout the year with arena operators, minor sport groups, sport governing bodies, other groups, and participants. A considerable amount of feedback has been received by staff from individuals/groups advocating to keep one, some, or all stand-alone arenas open.

## **ENVIRONMENTAL IMPLICATIONS**

There no specific environmental implications that have been identified with the content of this report.

## **ALTERNATIVES**

Alternative 1: Regional Council may choose to categorize one or both of the Bowles and Gray Arenas as "Ordinary" under Administrative Order 50. This is not recommended as there has been community interest shown in the properties, and that the Bowles Arena is required to be first offered to the adjoining property owner pursuant to an existing contractual relationship with the Municipality.

Alternative 2: Regional Council may choose to direct staff to close the Lebrun Arena at the opening of the Dartmouth 4-Pad and categorize under AO50 for disposal. This is not recommended for the reasons outlined in this report.

- Alternative 3: Regional Council may choose to extend the use of the Lebrun Arena for the 2017/18 season but maintain the existing rental fee. This is not recommended as it will result in an imbalance for the users of the overall network of arenas, and potentially trigger an increase to the operating budget to keep the arena open.
- Alternative 4. Regional Council may choose to direct staff to proceed with the redevelopment of the Halifax Forum based on the current proposal for three ices surfaces without additional analysis. This is not recommended based on the potential for Dalhousie University to establish a new arena which would impact arena inventory requirements.

### **ATTACHMENTS**

- Attachment A: 2017 Indoor Ice Surfaces Review  
Attachment B: Halifax Forum Community Association (HFCA) Proposal  
Attachment C: Halifax Forum Complex Audit Executive Summary
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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: Philip Hammond, Recreation Planning Specialist, 902.233.0593  
Avery Masewich, Business Analyst Intern, 902.490.6092

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**Attachment A**

# **2017 Indoor Ice Surfaces Review**

**Parks, Recreation, and Communities**

**Prepared by:**

Policy and Planning

Parks, Recreation & Communities

May 24, 2017



**HALIFAX**

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## 1.0 Background

On August 14, 2012, Regional Council approved the Long-Term Arena Strategy (LTAS). Its purpose is to guide long term arena planning and decision making through to 2022. The LTAS outlined several key findings and provided several recommendations regarding the service provision for arenas. Three of the key findings included:

- The overall use of arenas was declining.
- There is a need to consolidate aging arenas into new multi-pad arenas.
- The implementation of a Community Access Plan (CAP), which establishes targets for the allocation of ice time to different groups would ensure a fair and equitable distribution.

At the time of the strategy's development, there were 26 ice surfaces in operation. However, the LTAS acknowledged that Dalhousie University's arena was closing which would result in reducing the inventory to 25 ice surfaces. The LTAS recommended that there was no need for additional ice surfaces beyond 25.

On July 29, 2014, Regional Council directed staff to:

1. Begin planning for the renovation of the Halifax Forum based on the Halifax Forum Community Associations submission;
2. Declare the Devonshire Arena building surplus and retain the land for future recreation needs;
3. Begin planning for the construction of a 4-Pad arena in Dartmouth at Commodore Drive; and
4. Declare the Gray, Bowles, and Lebrun arenas surplus to recreation needs upon the completion of the Dartmouth 4-Pad.

This review of ice surfaces originates with a request of Regional Council to consider any changing circumstances since July 29, 2014.

## 2.0 Purpose and Scope of the Review

The purpose of this review is to provide an evidence based analysis that:

1. Confirms the appropriate number of indoor ice surfaces required; and
2. Confirms Regional Council direction on July 29, 2014 regarding the Gray, Bowles, Devonshire, and Lebrun ice surfaces.

Exclusions of this review include a fee review (underway) and outdoor ice opportunities.

## 3.0 Introduction

Parks, Recreation, and Communities provide facilities that contribute to healthy lifestyles, and vibrant communities that foster active lifelong participation. The municipality provides ice surfaces so that a variety of users of all ages and skill levels can have the opportunity to participate in sport, recreation, and public programming.

The number of ice surfaces alone is not the only factor when considering the appropriate service provision. Facilities should be well planned, sufficiently utilized, managed efficiently, responsive to demographic and user trends, and provided in a financially responsible manner to citizens. Currently, there are 24 ice surfaces in HRM (4 of these facilities are privately owed and operated).

#### 4.0 Overview of Demographics and Ice Surfaces

HRM's population estimate provided by the 2016 census is 425,000 with an average household income 87,566 (2016 Statistics Canada). Table 1 shows a breakdown of ages and percentage of the population.

Table 1

Age Range	Percentage of Population
0-9 years	10.05%
10-14 years	4.96%
15-19 years	5.54%
20-29 years	14.98%
30-39 years	13.20%
40-49 years	13.48%
50-59 years	14.70%
60-69 years	12.04%
70-79 years	6.43%
80 Plus	3.64%

As noted, with the closure of the Dalhousie Arena, there were 25 ice surfaces in HRM. On August 27, 2014, the Department of National Defence announced the closure of the Shannon Park Arena which brought the inventory of ice surfaces to 24. There have been 24 ice surfaces in operation since 2014 (Table 2).

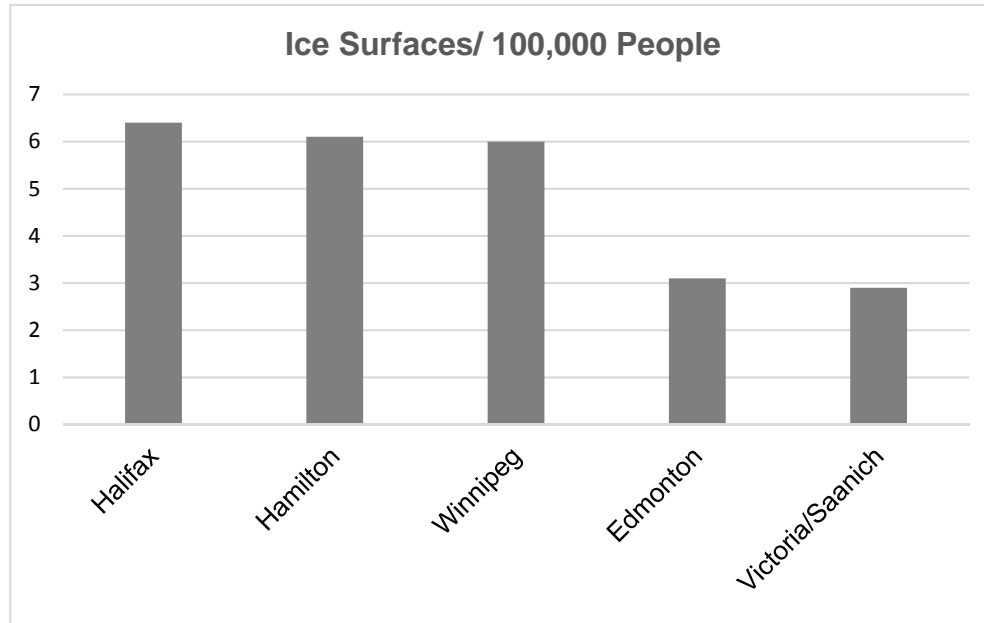
Of the 24 ice surfaces, 20 are owned by HRM. There are 4 ice surfaces privately owned and operated (marked P in the table). The 4 highlighted below (in bold) are municipal ice surfaces that Regional Council has directed to be declared surplus with the completion of the new 4-pad arena in Dartmouth.

Table 2: Ice Surfaces in HRM

Ice surfaces		
<b>Devonshire (1)</b>	Halifax Forum (1)	Shearwater - P (1)
<b>Gray (1)</b>	Civic (1)	St. Mary's University - P (1)
<b>Lebrun (1)</b>	Centennial (1)	Sackville & District - P (1)
<b>Bowles (1)</b>	Spryfield (1)	Bedford Dome - P (1)
St Margaret's Centre - Fountain (1)	Eastern Shore (1)	Scotiabank Centre (1)
St. Margaret's Centre - Smith (1)	Cole Harbour Place 1 (1)	BMO Centre (4)
Sackville Sports Stadium (1)	Cole Harbour Place 2 (1)	Dartmouth Sportsplex (1)

Graph 1 identifies the number of ice surfaces per 100,000 people compared to other municipalities from the Community Facilities Master Plan 2. The information is based on data that is verified through completed studies commissioned by the above noted municipalities. They include Halifax Regional Municipality Long Term Arena Strategy (2012), City of Hamilton Outdoor Recreation Facilities & Sports Field Provision Plan (2011), Winnipeg Public Use Facilities Study (2004), City of Edmonton Recreation Facility Master Plan (2009), and Saanich Parks, Recreation & Culture Master Plan (2013).

Graph 1: Ice Surfaces Per 100,000 people



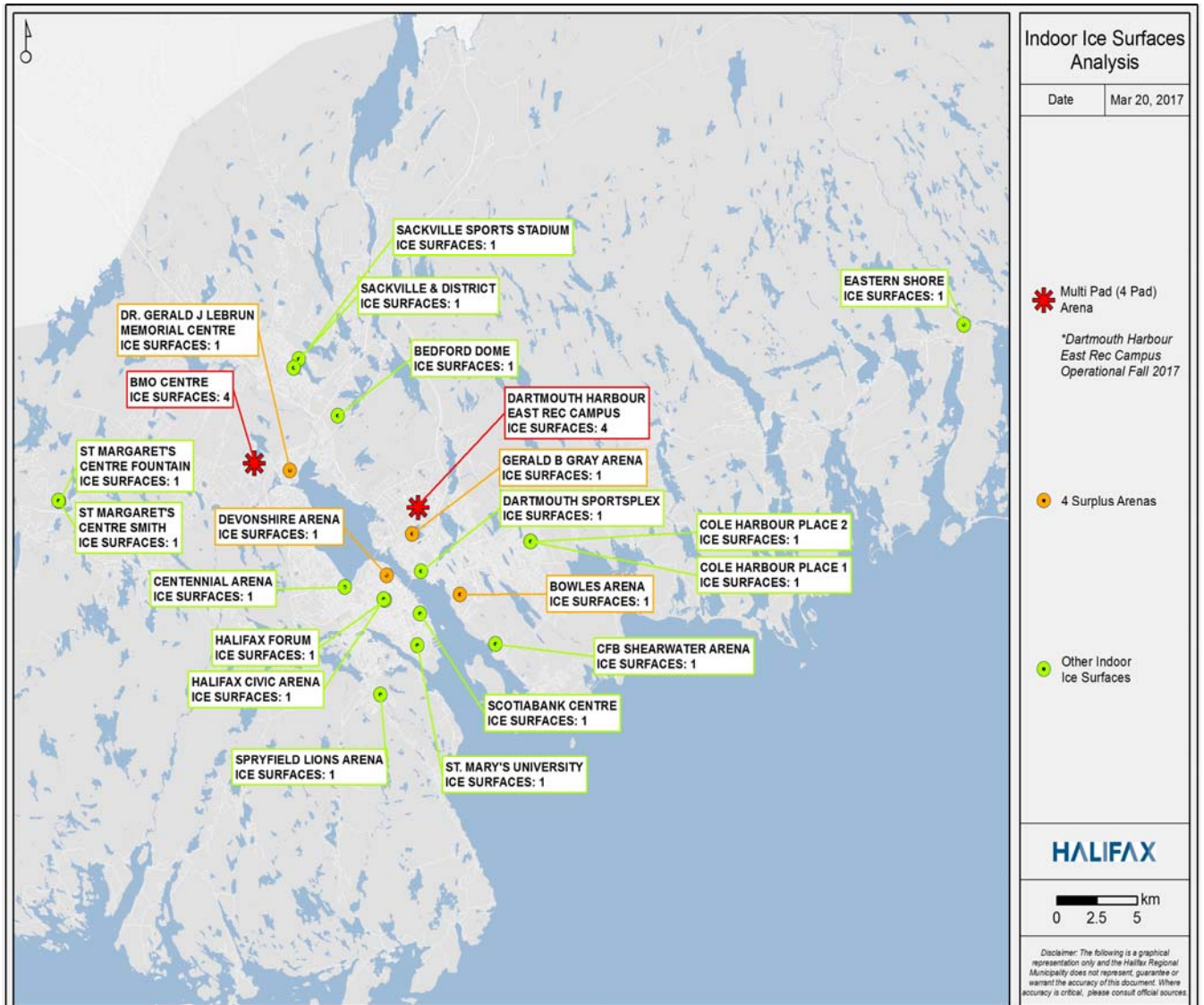
Based on the current inventory of 24 ice surfaces in HRM and updated estimated 2016 population, HRM currently has 1 indoor ice surface per 17,700 persons. There may be variations across Canada in ratios of indoor ice surfaces to population due to geography, population distribution, and urban and rural considerations. Having a lower ratio of ice surfaces does not guarantee that the facilities are well utilized. Within a comparable municipal context, HRM is within a typical range with regards to its ratio of ice surfaces per population.

The number of indoor ice surfaces and its ratio to population alone, is not the only factor when considering the appropriate service provision. Other important considerations include:

- Ensuring facilities are well planned, utilized, maintained and managed efficiently;
- The service provision is responding to trends and changing demographics (i.e. minor sport participation, immigration, aging population, etc.);
- Facilities are designed and managed to be welcoming to a broad range of users; and
- The service provision is provided in a financially responsible manner.

#### 4.1 Location of Indoor Ice Surfaces

Ice surfaces provide a regional service and are not intended to serve a specific community, or user group. Users access a variety of locations traveling to ice surfaces throughout the municipality.



## 5.0 Trends in Sport

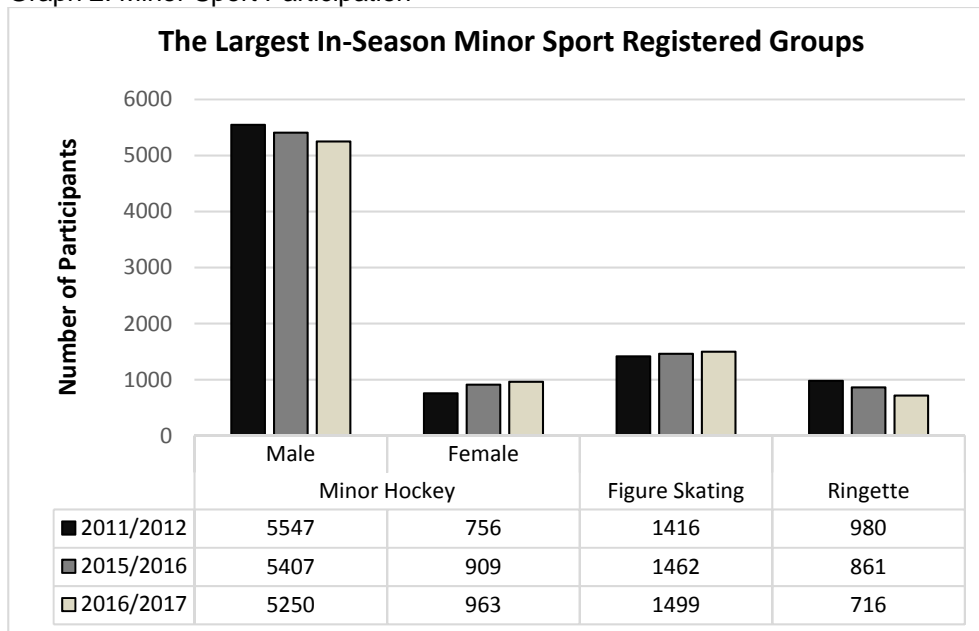
Despite HRM's population growth, the overall registration of minor sport (ice use) has been generally flat.

The three largest minor sport users of in-season prime time ice are minor hockey, ringette, and figure skating. More males play minor hockey but their participation has been gradually decreasing while female participation has been increasing. Despite minor hockey expanding to include 4-year old's in 2011, the overall participation has remained relatively flat when compared to 2011/12.

Due to the significant increase in female participation, minor hockey has established a separate association for females which will be in place for the 2018 season and may help the further growth of female hockey. This will have a positive impact on female hockey because the appropriate portion of minor hockey hours will now be directly allocated to the female association.

Figure skating participation has seen a small increase when compared to the 2011/12 season. Their participation numbers include the Learn to Skate (CAN Skate Program) which accounts for approximately 70% of their participants. Some of the Learn to Skate participants are from the minor hockey initiation program. Ringette's participation has gradually decreased. When combining all the participation numbers of the three largest minor sport groups together, registration has been generally flat when compared to 2011/12 (Graph 2).

Graph 2: Minor Sport Participation



Registration data is provided to HRM by the associations as part of the allocation process.

### 5.1 Speed Skating and Other Users

Speed skating is an emerging sport that also uses in-season prime time ice. Speed skating has grown from 158 participants in 2011/12 to 263 participants in 2016/17. This includes adults who account for 26% of their total participants. Adult and youth often participate together as part of an intergenerational approach which is unique to the sport. Long track speed skating uses approximately 20 hours per week at the Emera Oval and short track uses 12 hours per week of indoor ice. Speed skating has specific needs such as storing equipment and set-up time. The Dartmouth multi-pad has one Olympic size ice surface which will provide an additional location for speed skating.

### 5.2 Other User Groups

Other users include sledge hockey, high school hockey, adult (men and women's) recreational hockey, recreational shinny, junior competitive hockey, skill camps, public skating, and recreation programs.

Sledge Hockey – Sledge hockey is identified as a core program in the CAP and is currently allocated prime time ice at the BMO 4-pad which is specifically designed for the sport.

Nova Scotia School Athletic Federation – High Schools and Junior High Schools book prime time ice for school related female and male hockey programs. Junior and High School Hockey programs are part of core programming in the CAP. Although the school hockey was not

played in 2016/17 due to the Nova Scotia teacher work to rule, the time was booked and accounted for in this review.

Public Programming and Recreational Use – Participation data is generally not collected for most recreation use and is difficult to track because often these groups are not part of a registered sport organization. Public programming such as shinny and public skating is offered on a drop-in basis. HRM Parks, Recreation and Communities offers low cost recreational skating programs for children in 5 different arenas and these programs are well attended. Public programming for recreational use currently uses 5% of the available prime-time ice.

Private Schools – The new Newbridge Academy will be opening in the fall of 2017 near the new Dartmouth 4-Pad arena. The school has indicated an intention to book a significant amount of day time non-prime time hours as part of their school programming.

### 5.3 Overspecialization of Sport

While the overall usage of arenas is declining, there is still strong demand for ice time, in particular, prime time hours. The demand for ice time in indoor ice surfaces does not appear to be coming from the growth of minor sport but may be being impacted by the growing trend of overspecialization of sport. The overspecialization of sport in children is a growing trend across Canada and in a variety of sports. It is characterized by a high volume of practice time and a focus on performance at an early age.

The “Get More from Sport Campaign” has been developed by Hockey Nova Scotia, Soccer Nova Scotia, and Sport Nova Scotia to address negative aspects of this trend such as burn out, injury, and impacts to overall child development. The campaign notes the pressure often comes from some parents, peers, coaches, and businesses. Also, increased or additional practice time adds to the cost of participation. In the allocation of ice time and subsequent determination of arena inventory, overspecialization of sport can potentially increase the pressure for more ice time. This demand may be limiting new growth in recreational sport, and access for adult usage and public programming. Increased cost, focus on performance, time commitment, and injury may be playing a role in the lack of growth in some minor sports.

## 6.0 Equitable Distribution of Ice Time

The appropriate number of ice surfaces depends on the equitable and efficient management of ice time. Achieving balance and fairness is required to ensure access for a broad range of users and skill levels. Municipal ice surfaces are provided for a diversity of users. If balance is not achieved it may create a perception of a lack of service provision.

Most ice users want the same prime time-period within a 30-week season (Monday to Friday 4pm to 10pm and Saturday and Sunday 6am to 10pm, from September to March). The Community Access Plan (CAP) and Standards of Fair Play (Standards set by sport governing bodies) are intended to provide balance, fairness, and access including underserved groups during prime time.

The Standard of Fair Play sets the allocation of hours based on the age and skill level within a sport. HRM attempts to accommodate users toward reaching the standard of fair play while factoring in requests from emerging and underserved groups. It is on this basis that the CAP is based and attempts to achieve. The allocation of ice time requires a collaborative process to ensure that users are accommodated in a manner that meets this balance and fairness.

The CAP sets out the following ideal allocation:

- **Core Programs** i.e. minor sports - up to 55% for prime time



- **Adult Groups** - up to 30% for prime time
- **Public Programming** i.e. public skates, shinny, recreation programs - up to 15% prime time

However, despite the generally flat growth of minor sports, they are using significantly more prime time ice than what was set out in the CAP. Public programming and adult programming are using significantly less ice time than what was intended. Consequently, scheduling data indicates that the current ice allocation for prime-time use is:

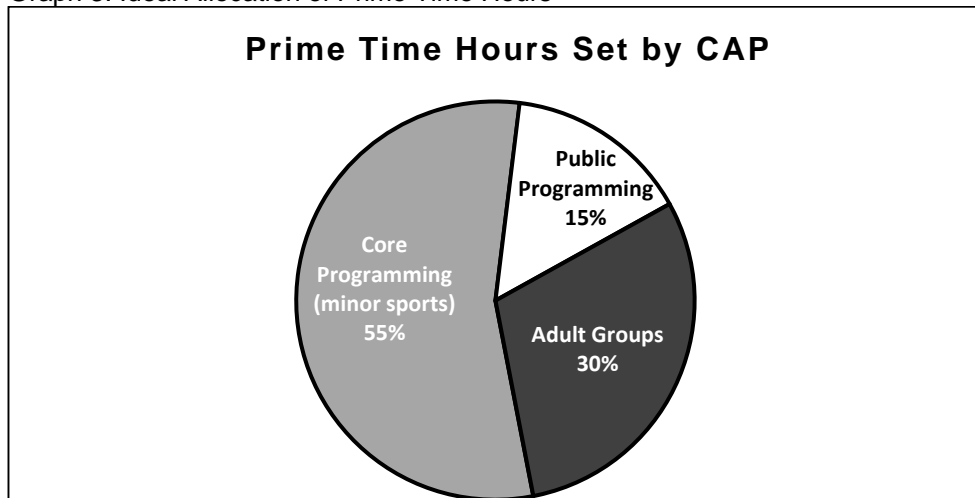
- **Core Programs** - In 2016, used 72% of prime time.
- **Adult Groups** - In 2016, used 14% of prime time.
- **Public Programming** In 2016, used 5% of prime time.

(Graphs 3 and 4)

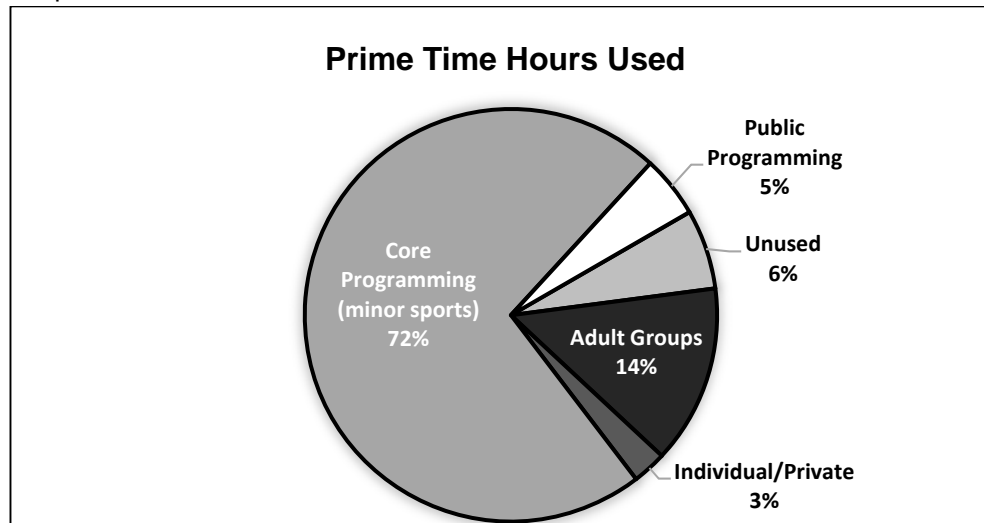
The impact of this imbalance is an unintended replacement of recreational ice usage by elite or specialization sport usage. HRM needs to correct the imbalance of usage to be more inline with the allocations outlined in the CAP which meet the Standards of Fair Play outlined by the governing sport bodies.

The imbalance will be addressed by taking steps to allocate prime-time in accordance with the CAP allocation with time allocated for adult programming and public programming during the in-season prime-time period. That will ensure that sufficient time is provided for recreational usage and that allocation for minor sports still meet Standard of Fair Play levels. Some level of overspecialization is still expected to occur as any unused allocated time will be made available for any group to book. However, the balance between recreational usage and sport development will improve. The implementation of a new centralized scheduling system will help improve the ability to monitor trends and their potential impacts on bookings, ice allocation, and the overall service provision.

Graph 3: Ideal Allocation of Prime Time Hours



Graph 4: Actual Allocation of Prime Time Hours



## 7.0 Required Number of Ice Surfaces

The 2012 Long Term Arena Strategy (LTAS) found that prime time ice usage declined from 100% in 2007 to 99% in 2011/12 within the 26 ice surfaces. The percentage of non-prime time use declined from 75% in 2007 to 60% in 2011. The LTAS noted that usage in arenas at the time was declining and the demographics were shifting toward an aging population. Thus, the LTAS did not recommend ice surfaces beyond 25.

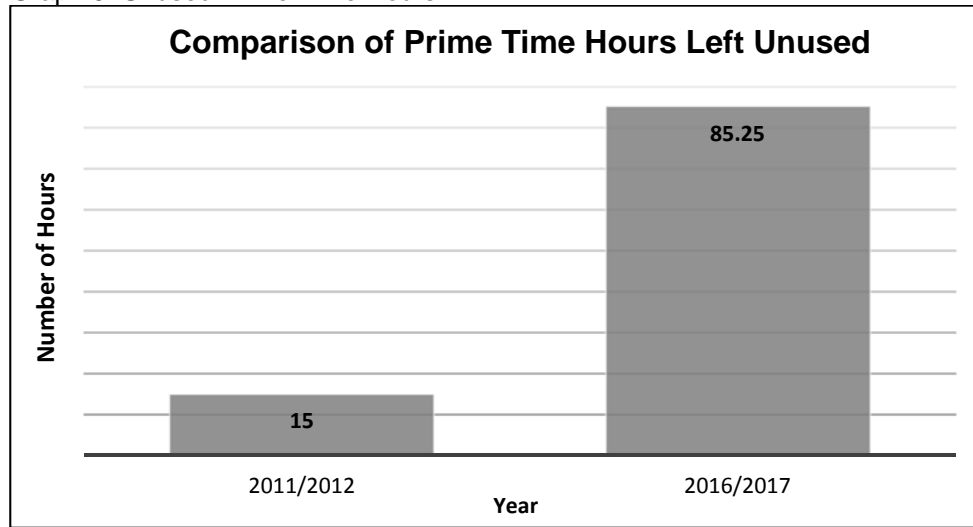
In August 2014, the Department of National Defence announced the closure of the Shannon Park arena reducing the number of ice surfaces to 24. This sudden closure had short-term impact and inconvenience on users who had to find alternate locations. HRM worked with affected groups to accommodate them in other facilities. The Shannon Park closure did not significantly increase usage at the Gray, Bowles, Devonshire, and Lebrun facilities (See below and Section 8.0).

On February 7, 2017, Regional Council approved the Community Facilities Master Plan (CFMP2). The CFMP2 further reviewed the required ice surfaces and indicated that there is no evidence to support the need for additional ice surfaces beyond the existing 24. It also recommended that HRM continue monitoring prime, non-prime and year-round ice usage.

### 7.1 Prime Time Usage

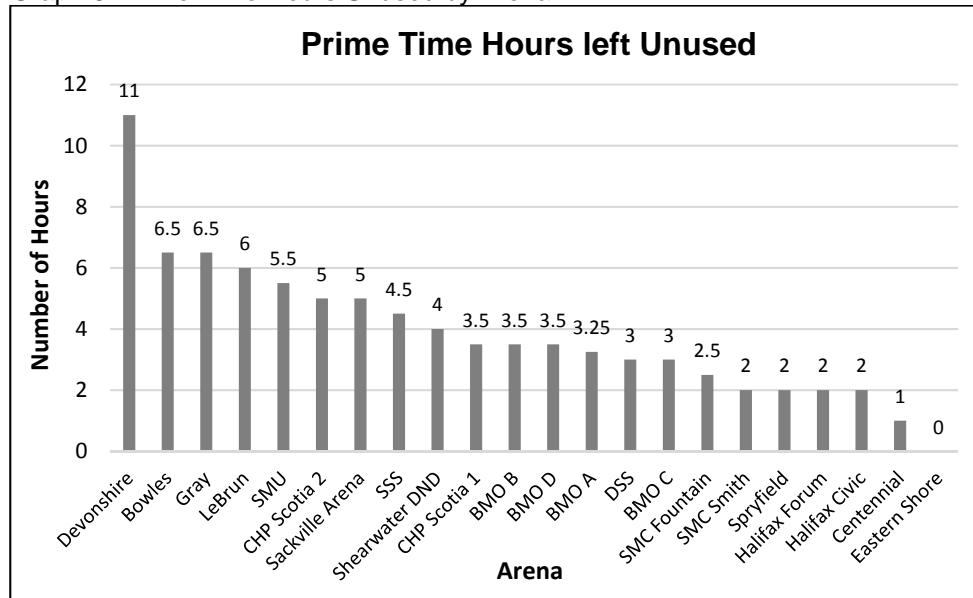
The definition of prime time as outlined in the CAP includes 4pm to 10pm Monday to Friday and 6am to 10pm Saturday and Sunday. A review of bookings in 2016/17 indicates that prime time usage was 94% with 6% remaining unused (85.25 hours per week) (Graph 5).

Graph 5: Unused Prime-Time Hours



During the in-season period there is little variation in the usage schedules. A sample was taken from 22 (out of 24) ice surfaces (Graph 6). Overall, most of the unused prime time hours tend to be early morning weekend hours with some unused prime time randomly throughout the week. Generally, the typical operating hours for in-season is 6am to 12am from Monday to Sunday. Some arenas modify these hours. For example, the Gray, Bowles, Devonshire, and Lebrun arenas have reduced their operating hours due to a lack of demand. This is included in the analysis as unused time because operating hours can be expanded based on demand.

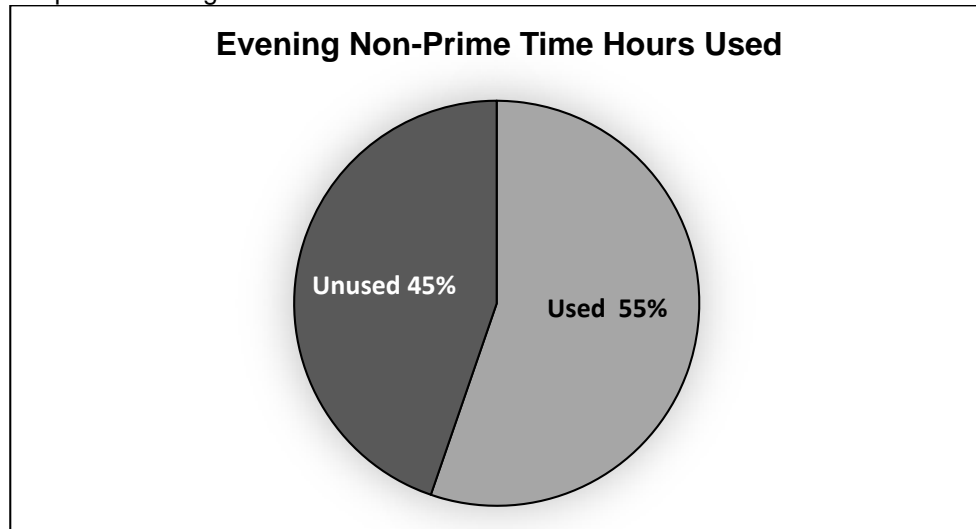
Graph 6: Prime-Time Hours Unused by Arena



**7.2 Evening Non-Prime Time Usage**

The evening non-prime time hours includes Monday to Sunday, 10pm to 12am. Of this time, 55% was used in 2016/17 which is down from 59% in 2011/12 (Graph 7).

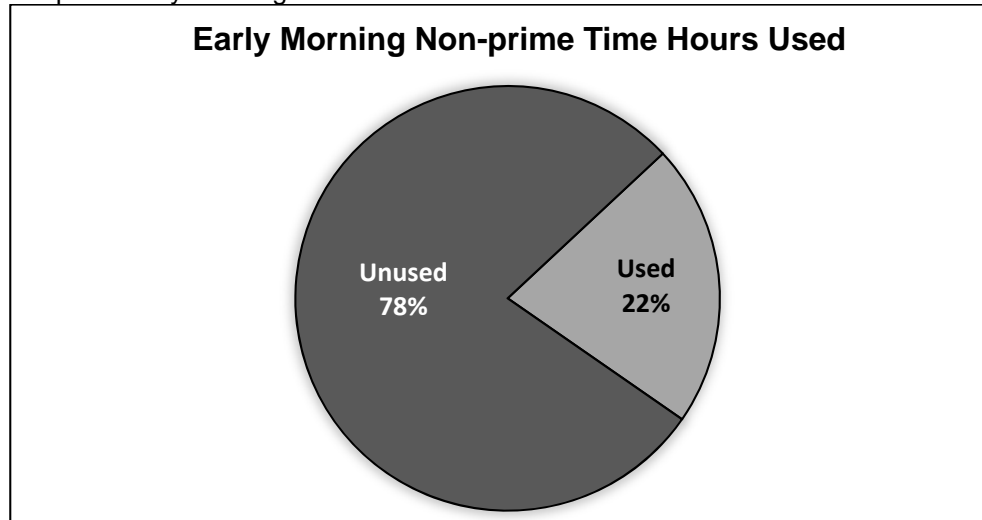
Graph 7: Evening Non-Prime



**7.2 Early Morning Non-Prime Time Usage – In-Season**

Early morning non-prime time includes 6am to 8am, Monday to Friday. Of this time, 22% was used in 2016/17 which is down from 39% in 2011/12 (Graph 8).

Graph 8: Early Morning Non-Prime

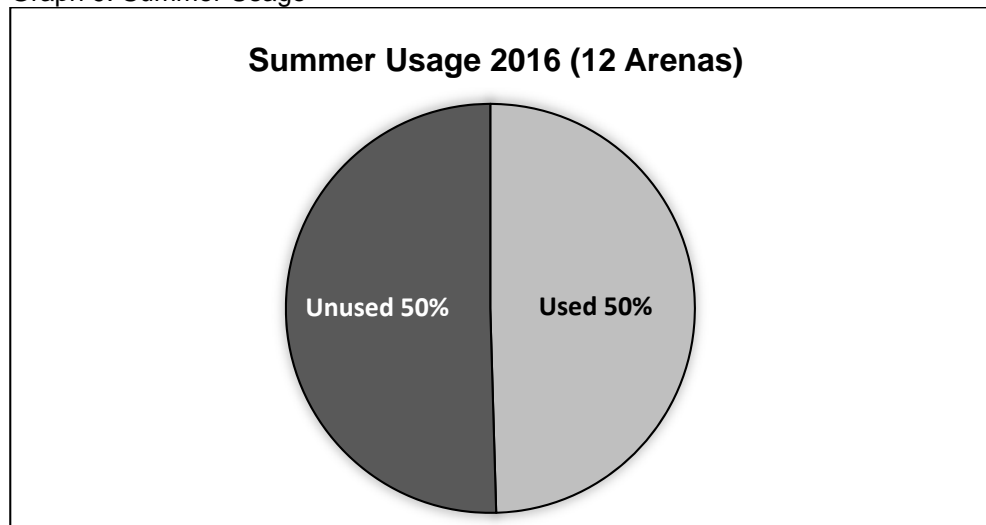


**7.3 Off Season Usage**

The spring ice season is mainly used for hockey so the demand for ice time during the spring is significantly reduced. Therefore, in the spring, some facilities remove the ice for dry floor activity (i.e. indoor box lacrosse and ball hockey).

In the summer of 2016, 12 out of 24 ice surfaces were in operation for ice use. Of the 12 in operation, 49.6% of the total available hours were used (Graph 9). The ice time during the daytime (Monday to Friday) was mainly used for summer camps.

Graph 9: Summer Usage



The reduced usage in the summer allows for required maintenance to be performed on the arenas. In addition, it is a more effective operation of the overall network as the costs to maintain ice in arenas far exceeds any revenue received from usage.

## 8.0 Gray, Bowles, Devonshire, and Lebrun Ice Surfaces

The LTAS recommended the consolidation of aging stand-alone arenas into new multi-pad facilities to improve service, efficiency, and financial sustainability. The Gray, Bowles, Devonshire, and Lebrun represent the 4 municipal stand-alone ice surfaces that were directed by Regional Council to be declared surplus upon completion of the new multi-pad.

There are several factors which outline that service delivery will be improved once these arenas are replaced by the new 4 pad arena, including:

- The average age of these four facilities is 44 years;
- They have reduced operating hours compared to other arenas;
- They have the most unused prime time ice;
- There is no ice available in these facilities for 5 months of the year; and
- They have combined deferred maintenance of 3.8 million dollars.

Deferred maintenance increases the risk of unexpected service disruptions impacting access for users. As the facilities continue to age, the risk for unexpected closures increases.

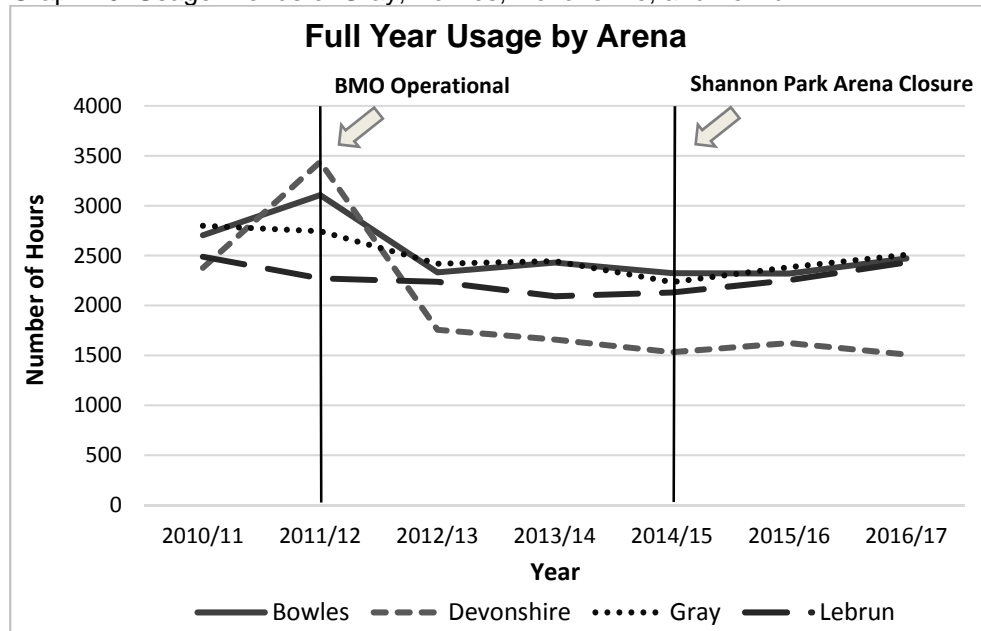
The reduced operating hours in these four facilities means that there will be more capacity available in the new 4-pad arena in Dartmouth due to its increased and consistent operating hours. In addition, these facilities were not originally designed to meet current user expectations or standards such as additional dressing rooms for a greater inclusion of varied gender participation.

### 8.1 Full Year Usage – Gray, Bowles, Devonshire, and Lebrun

Usage of the Gray, Bowles, Devonshire, and Lebrun declined in 2011/12 after the BMO 4-Pad was in full operation (Graph 10). The closure of Shannon Park arena occurred in 2014/15 but

did not significantly impact usage of these facilities from 2012/13 to 2016/17. The total number of hours used in 2016/17 (full year including ice and dry floor) was 8,922 hours.

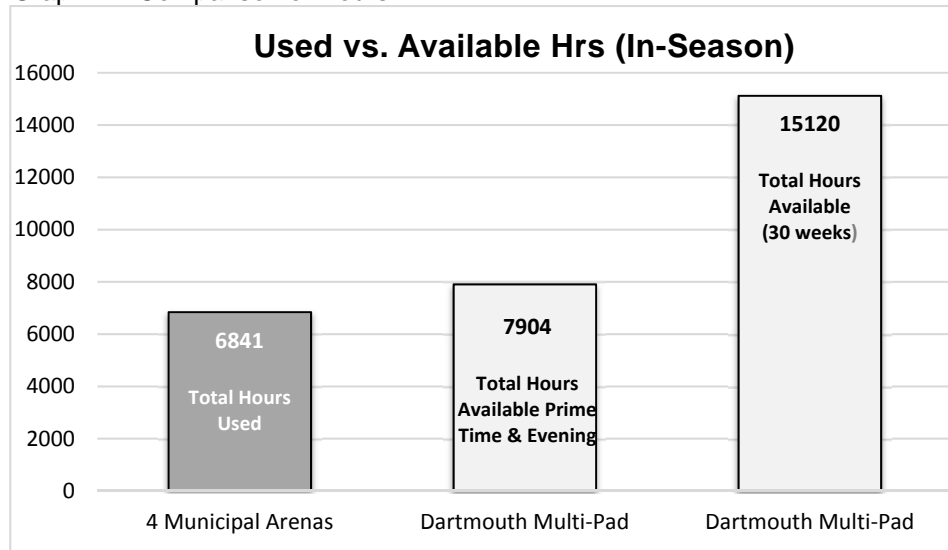
Graph 10: Usage Trends of Gray, Bowles, Devonshire, and LeBrun



### 8.2 In-Season Usage Comparison

There was a total of 6,841 in-season hours (30-week period) used at the 4 stand-alone arenas. By comparison, the new Dartmouth multi-pad will have 7,904 prime time and evening hours available and 15,120 total hours (prime and non-prime). This increased availability is due to the consistent hours and extended number of weeks that the new multi-pad will be operational (Graph 11).

Graph 11: Comparison of Hours



### 8.3 Dry Floor

Dry floor activity such as lacrosse and ball hockey is an important part of off-season arena usage which are accommodated in a variety of arenas throughout HRM. Lacrosse used 858 hours and ball hockey used 247 hours at the Gray, Bowles, Devonshire, and Lebrun arenas. With the closure of the 4 stand-alone arenas, these activities can be accommodated in arenas where ice is removed. Either multi-pad can accommodate most of these hours by removing 2 ice surfaces for dry floor activity over an 8-week period. This would allow for 992 prime time hours for dry floor activity. Additional time can also be absorbed through other facilities.

## 9.0 Key Findings

1. Based on the analysis, the overall usage of ice surfaces for the in-season prime time-period is 94% with 6% (85.25 hours per week) unused. Non-prime time usage continues to decline.
2. When combining all the participation numbers of the three largest minor sport groups (for ice usage), registration has been generally flat when compared to 2011/12. Notwithstanding, female minor hockey has been growing and the establishment of a new female hockey association may facilitate further growth in the future.
3. Despite flat growth, minor sports are using significantly more prime time and adult groups and public programming using significantly less creating an imbalance in prime-time ice allocation.
4. The implementation of a new centralized scheduling system will help improve the ability to monitor new trends and their potential impacts on bookings, ice allocation, and the overall service provision.
5. Ice capacity will expand with the addition of the new multi-pad due to the increased and more consistent operating hours when compared to the Gray, Bowles, Devonshire, and Lebrun arenas. The Gray, Bowles, Devonshire, and Lebrun arenas have the greatest amount of unused in-season prime time in comparison to other ice surfaces.
6. Lacrosse and ball hockey are impacted by any potential closure of the Gray, Bowles, Devonshire, and Lebrun arenas for dry floor usage but can be accommodated in other facilities.

## 10.0 Summary

Evidence in this review indicates the 24 ice surfaces are well used for the in-season prime-time period (94% in 2016/17) and are generally meeting current needs. Prime-time access continues to drive the arena inventory. However, prime-time usage is starting to decline and non-prime time usage is limited, resulting in additional capacity in the overall inventory. There is limited growth in sport registrations however, overspecialization in sport impacts the overall demand.

An unexpected closure or service disruption during the in-season period could impact service delivery. Therefore, a transition year is recommended while work on the Cole Harbour Scotia arena is completed and to assist users in the relocation from the existing arenas and opening of the new Dartmouth 4-Pad.



March, 2013

## Halifax Forum Redevelopment

Submitted to:

**Halifax Regional Municipality**  
Regional Recreation and Culture

Submitted by:

Halifax Forum Community Association  
George Findlay, HFCA Chairman  
2901 Windsor Street  
Halifax, NS B3K 5E5









Halifax Forum  
Community  
Association  
2901 Windsor Street  
Halifax, Nova Scotia B3K 5E5  
Tel: (902) 490-4614  
Fax: (902) 490-4618  
Website: [www.halifaxforum.ca](http://www.halifaxforum.ca)

February 28, 2013  
Halifax Regional Municipality  
Regional Recreation & Culture  
PO Box 1749  
Halifax, NS B3J 3A5

**Attention: Ms. Denise Schofield, P. Eng.**

Dear Ms. Schofield,

Attached is an initial proposal which outlines a vision for a development plan for the Halifax Forum Complex in relation to the Long Term Arena Strategy (LTAS) and in particular to the Peninsula Consolidation Recommendations as outlined in the report.

In our presentation, the Halifax Forum Community Association is submitting what we believe, is a comprehensive and attractive strategy to add an additional arena, housing a regulation ice pad and also offering many additional improvements that will make HRM and its citizens very proud. Also this plan will extend the life of this historic venue for many years to come.

Cost estimates from the LTAS for the original recommendations were \$45 million dollars, however, it should be noted the initial estimated cost of our proposal will be \$38 million dollars.

It should be pointed out that the Halifax Forum Community Association, the former Halifax Forum Commission have an impressive track record in developing additional facilities to the Forum (Multi-Purpose Centre 1988, Civic Centre 1995 and the Bingo Centre and Maritime Hall in 2003). The foregoing improvements came about as a result of energy, desire, knowledge and the drive to get things done and we are proud of these accomplishments. We are 100% dedicated to seeing our new plans approved and developed and look forward to working with you, your staff and members of HRM Council, in order that we can proceed together to make the vision become a reality.

Yours very truly,

Original Signed

G.C. Findlay, Chairman  
Halifax Forum Community Association



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## Halifax Forum Site Redevelopment

40 years ago the various municipalities that now make up HRM enjoyed a construction boom of arenas that celebrated the Centennial years. While these arenas were well used, they were essentially one dimensional focusing on a specific user and a specific activity. The HFCA recognizes the current industry standard of Multi-Use Arena Facilities and have invested a great deal of time to propose a site development plan which recapitalizes HRM assets, adds another arena to inventory, provides new multi-use space for the citizens while meeting all the development standards published in the long term arena strategy.

The following items presented by the HFCA to HRM Regional Recreation and Culture will feature the benefits of redeveloping the Halifax Forum site.

### Vision

Regardless if we are referencing the Indoor Recreation Facility Master Plan (2004), the Community Facility Master Plan (2008) or the Long Term Arena Strategy (2012), there are several core principles which can be found in various forms in each of the HRM facility related plans developed over the past eight years.

Any new or existing facility expansion should:

- not be undertaken in competition with existing facilities or services
- be located on highly visible sites that maximize access and be situated on mass transportation routes
- be developed in conjunction with existing facilities in order to maximize both the convenience / enjoyment of citizens and economies of scale in terms of operations
- have significant existing or future population with appropriate demographics to support the proposed facility additions / changes

Additionally, when establishing the vision for the Halifax Forum Site Redevelopment proposal the HFCA has added to these core principles listed above by also including the following:

The Halifax Forum Site Redevelopment must:

- ensure we are offering a multi-use complex utilizing our central location in a hub concept
- elevate existing citizen pride of an HRM landmark property
- revenue neutral facility able to take advantage of expanded cross functional programming and the operational efficiencies that exist in a hub facility
- ability to “turn key” an additional HRM arena at no disruption to current ice programming
- improved pedestrian and traffic flow and a feature of noise dampening
- ensure building synergy and flow to improve the guest experience and offer %100 accessibility

### Facility Development Standards - our proposal addresses each of the development standards of the LTAS Section 3.1:

- Hub concept facility operating efficiently
- 100% accessible
- 2 NHL sizes areas, plus the Forum increases tournament hosting opportunities
- Common area where spectators can view 3 arenas
- Multi-purpose room or hosting room for tournaments
- Adequate seating in all arenas for ice sport and other events.
- Dressing room sizes of 325 square feet and mixed gender accommodations
- Participants to enjoy water filling stations and adjustable water temperature showers
- Dry land warm up space to improve the participant experience and improve public safety
- LEED Silver goal to improve entire building efficiency
- A sustainable facility maximizing revenue through effective programming and efficiencies

### Added Benefits - additionally our proposal has the added benefits of:

- Expanded programming for ice sport and dry land, public and community events
- Existing on-line reservation system would include new arena and community rooms
- Forum positioned properly for the ever increasing neighboring high density housing
- More community engagement with community rooms , improved common areas and a spectator guest centre
- Citizen inclusion, 100% accessibility, building synergy to improve the guest experience
- Ability to “turn key” an additional HRM arena at no disruption to current ice programming
- Experienced management and board who consistently meet HRM’s reporting requirements

### Long Term Arena Study - our proposal addresses each of the risk concerns outlined the LTAS:

- All necessary new and improved ice making equipment are included with this proposal
- Exterior of the Forum repaired to LEED Silver standard addressing efficiency and safety issues
- North End parking lot to be graded to improve traffic flow and pedestrian safety
- Box section of the Forum now enclosed and heated
- Forum sound system installed 2012, arena heat installed 2011
- This proposal to produce 2 NHL recognized fields of play
- Forum complex to be 100% accessible

### Timeline - our projected total completion time for all aspects of this proposal is estimated at 24 months. The components of the new project breaks down as follows:

• Multi-Purpose Centre Demo	1.5 months
• New Rink/Foyer/Atrium/Mechanical	12 months
• Civic Centre to NHL Size	2 months
• Central Community Link	11 months
• Forum Renovations	12 months

**Cost - the cost of the total project (inclusive of insurance, design fees, permits and general conditions is estimated at \$38,724,700.**

# Halifax Forum Redevelopment

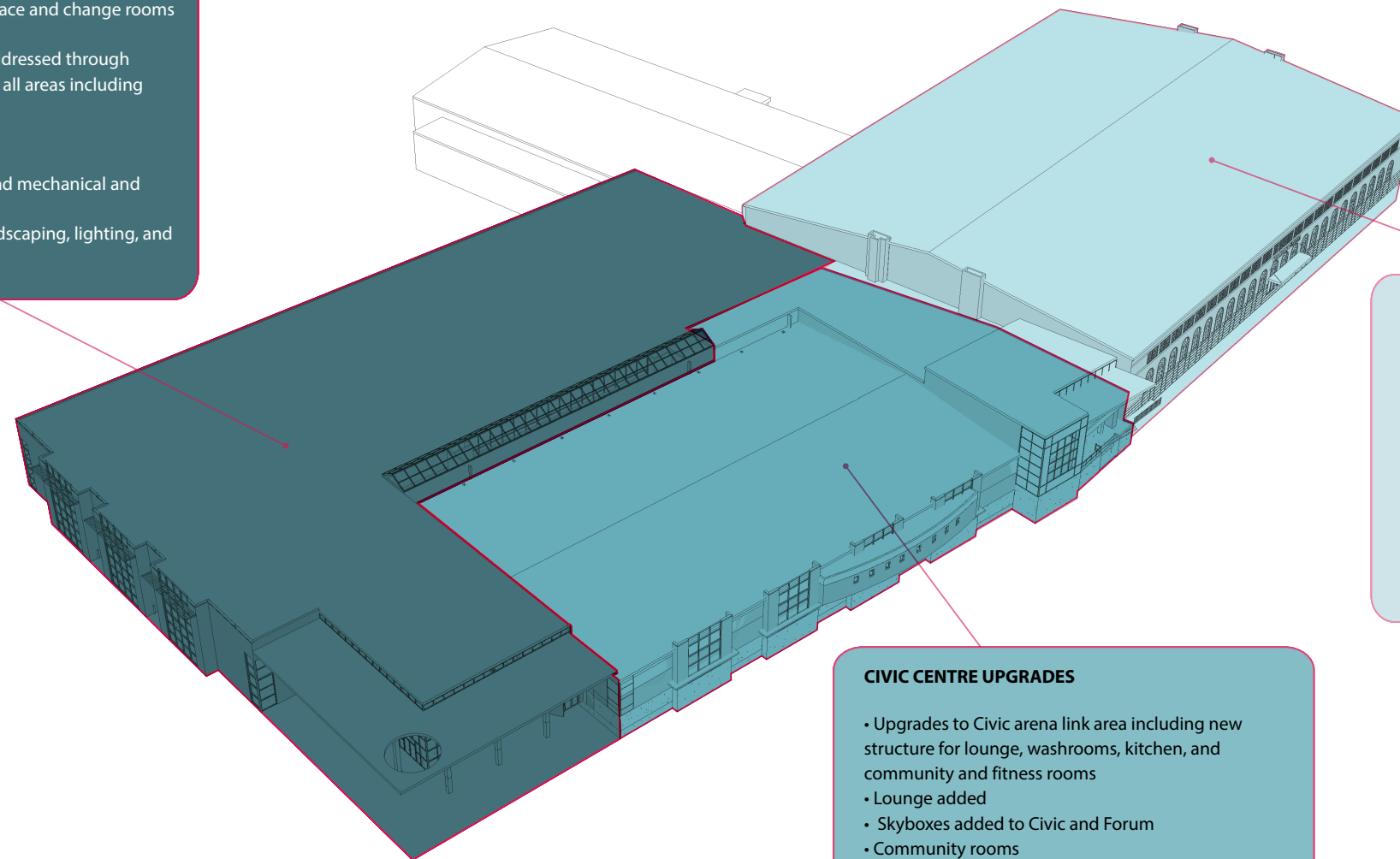
## Project Intent

The purpose of the overall project is to achieve several goals:

- Emphasize the historic aesthetic of the Forum building by revitalizing and restoring key architectural features of the original design
- Take a cohesive approach with the overall complex upgrades to ensure that modern structures visually pick up on the historic design cues on site
- Add a new regulation NHL sized ice rink
- Increase the Civic Centre ice surface to a regulation NHL size
- Add new sky boxes for the Civic Centre and Forum rinks
- Create a series of new concessions and lounge space
- Create a variety of community use multi-purpose rooms adjacent to the rinks
- Create a new glass atrium entrance foyer that links to existing Civic Centre and new rink
- Install new elevators and stairways to improve barrier-free access and improve circulation flow
- Standardize floor levels to increase barrier-free access around the complex
- Update the Almon and Windsor Street facades.
- A parking garage is a possible option for additional site parking
- The landscape (hardscape and softscape) will be adjusted to improve vehicle and pedestrian movement on site as well as address associated risks with current site
- Life Safety issues will be addressed throughout project development
- LEED Silver certification will be targeted for the project

### NEW CIVIC CENTRE ARENA

- New NHL-size ice surface and change rooms
- New foyer entrance
- Accessibility issues addressed through elevators and ramps in all areas including Forum and Civic
- Retail/food services
- Community rooms
- New physical plant and mechanical and electrical upgrades
- New parking lots, landscaping, lighting, and sitework



### FORUM

- General improvements to exterior envelope, including new windows, roofing and drainage details, insulation, and repointing brick
- Upgrades to both Windsor and Almon St. entrances, including canopies, doors, and hardware
- Interior upgrades to change rooms, concessions, and public areas
- Upper-level walking track

### CIVIC CENTRE UPGRADES

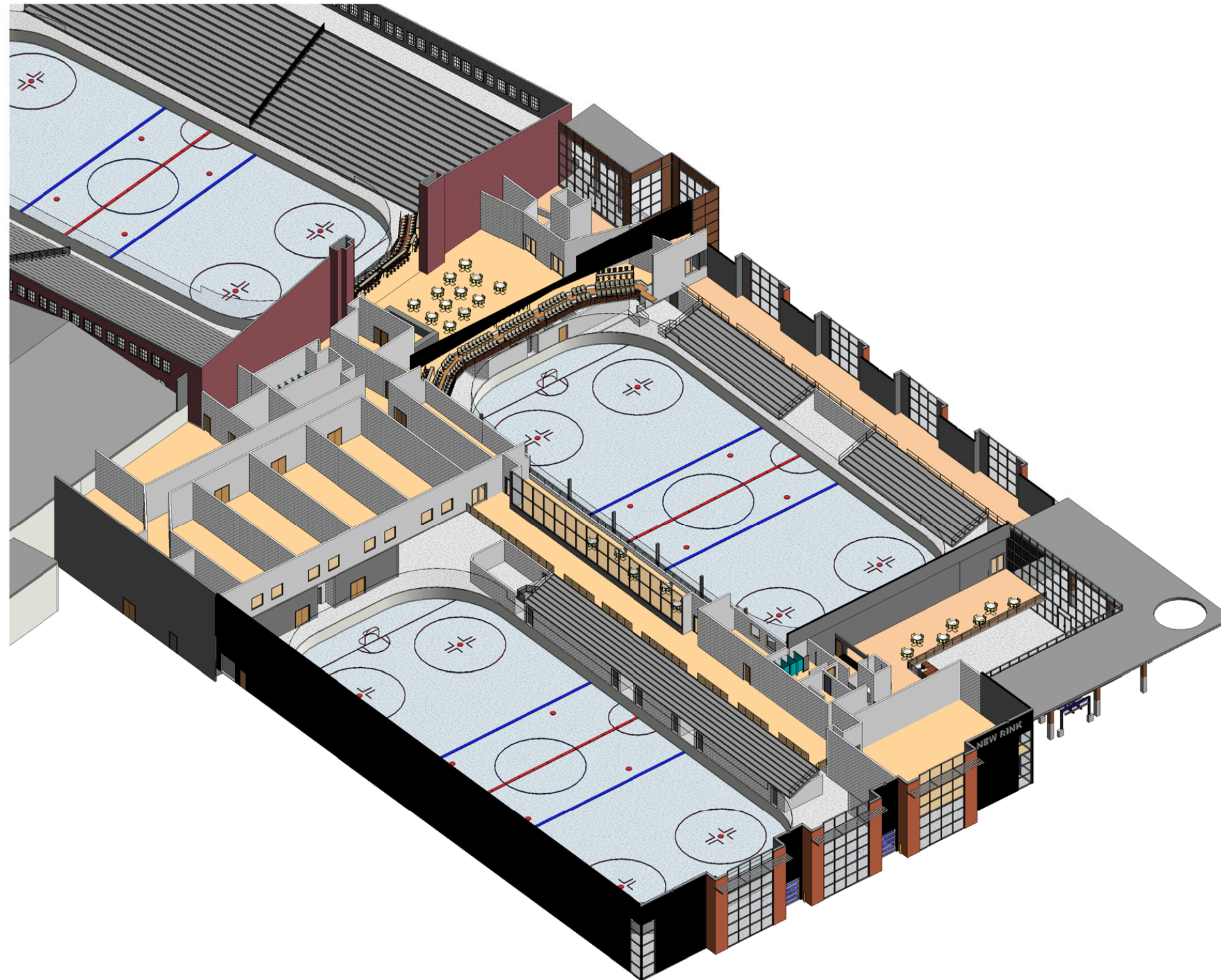
- Upgrades to Civic arena link area including new structure for lounge, washrooms, kitchen, and community and fitness rooms
- Lounge added
- Skyboxes added to Civic and Forum
- Community rooms
- Barrier free upgrades including elevator and stairway
- Upgrades to Windsor St. façade
- Increase ice surface to NHL standards



AERIAL VIEW ACROSS RENOVATED FORUM

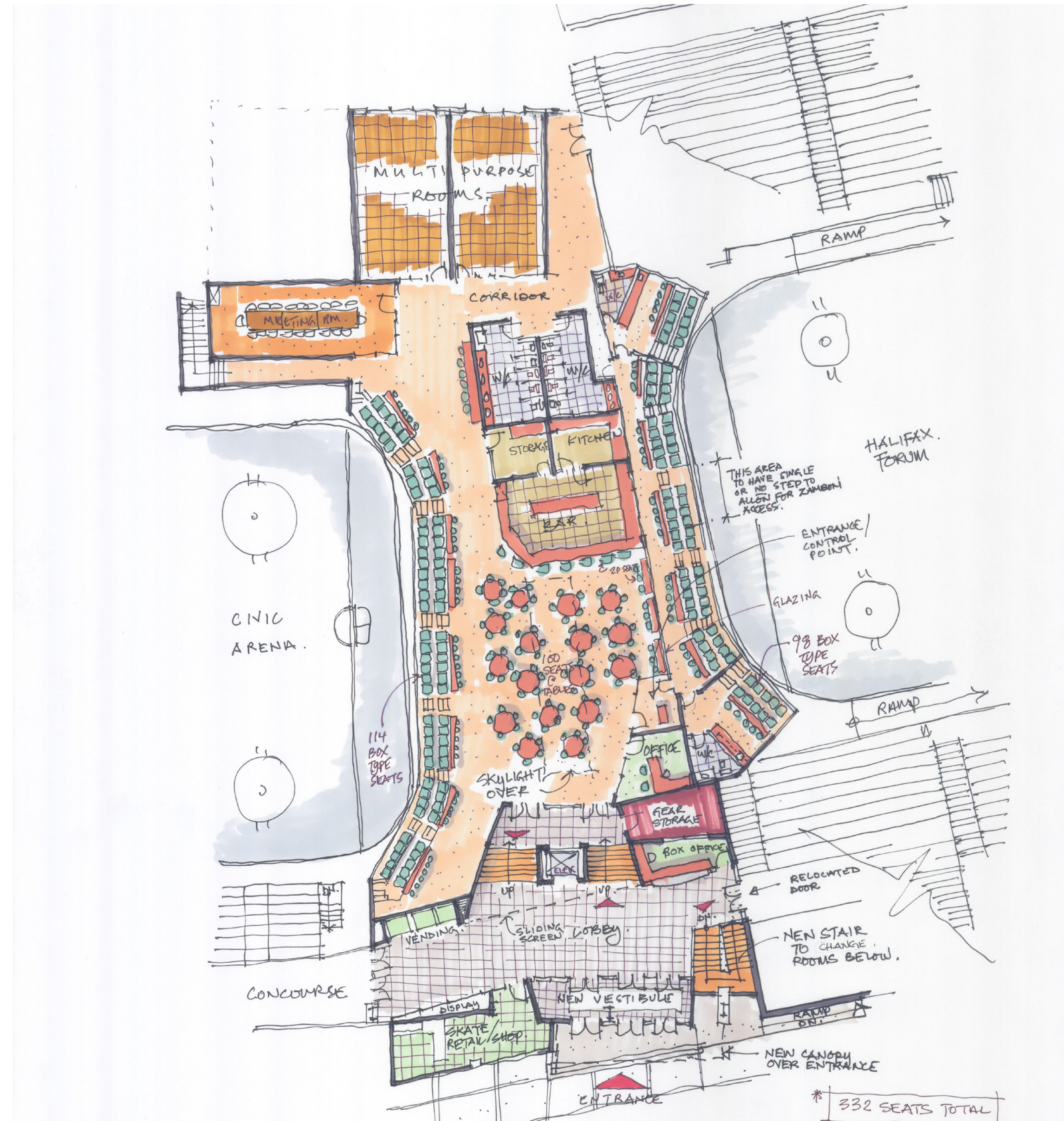


AERIAL VIEW ACROSS NEW CIVIC CENTRE LANDSCAPE





# Halifax Forum Redevelopment



ST. JOHN'S • HALIFAX • SAINT JOHN • WABUSH • MONTREAL • TORONTO • WINNIPEG • CALGARY • EDMONTON • VANCOUVER

CENTRAL COMMUNITY LINK



NEW CIVIC CENTRE MAIN ENTRANCE

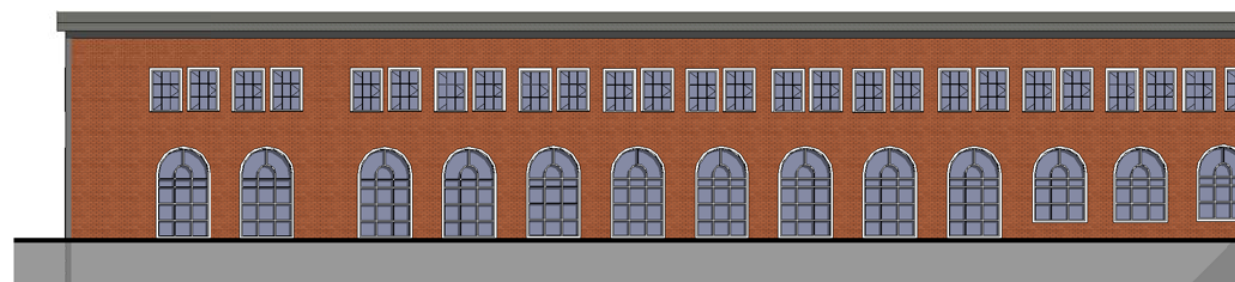




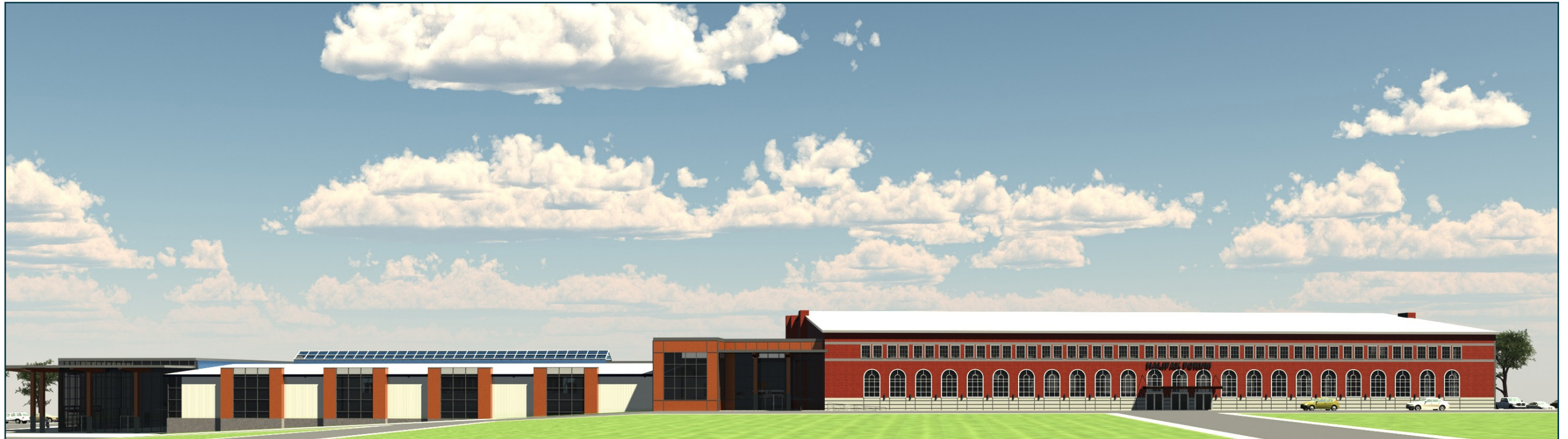
FORUM MAIN ENTRANCE



FORUM SOUTH - WINDSOR STREET



FORUM NORTH



NEW CIVIC CENTRE AND FORUM - WINDSOR STREET

## History of The Halifax Forum

Built in 1926, the Halifax Forum is a significant piece of our city's sports and recreational heritage and will serve as the cornerstone of the proposed redevelopment; restoring it as the city's foremost recreational facility combining event space, multiple ice pads, bingo, health and wellness, with a rejuvenated site.

The architect, Andrew Cobb (1876-1943), designed the large brick building using Georgian inspired styling. Cobb studied at Acadia University, the School of Architecture at the Massachusetts Institute of Technology, and in France at Ecole des Beaux Art. He was a prolific designer of churches, university buildings, hospitals, and industrial buildings throughout Nova Scotia. His notable Halifax projects include:

Neptune Theatre	(1915)
Roy Building	(1915)
Provincial Archives Building	(1929)
Bank of Nova Scotia	(1930-31)
Provincial Building	(1935)
<u>Dalhousie University</u>	
Science Building	(1913-15)
Shirreff Hall Dormitory	(1920)
Arts Building	(1921-22)
Medical Science Laboratory	(1921-22)
Public Health Centre	(1922-24)
<u>King's College</u>	
Main building and Chapel	(1928)
Dormitory	(1931)



For several decades the Forum was a popular venue for sports, recreation, commerce, and entertainment. Prize fighters, horse racing, stars of skating and hockey, famous music acts, and countless other events and visits by historical figures have occurred at this facility.

Through the late 70's and 80's, many large acts and the professional franchise were lost to the newly established Halifax Metro Centre. In a battle for survival, Forum management moved their focus to hosting smaller community service events.

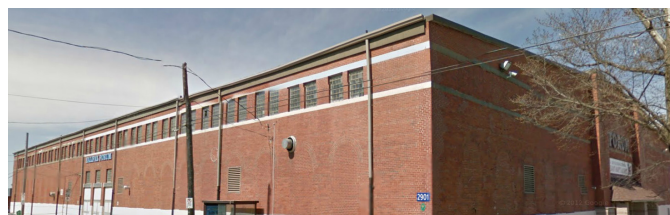


The original property was redeveloped and the Multi-Purpose Centre was added in 1988, the Annex Arena was replaced by the Civic Centre in 1995 and Maritime Hall & Bingo Gaming Centre replaced the old Annex building. The current Forum is a multi-functional facility, capable of operating with little to no subsidy from HRM and the community.



Elements of the original Forum design include low-pitch roof, central doors on each wall, balanced proportion, white granite perimeter string course, wood, brick and concrete construction, and fanlight and arched windows. The building has sustained significant additions and alterations since its 1920's construction, leaving some windows bricked over, and the overall character of the structure diminished.

### Halifax Forum



The Forum building has a 16,000 ft<sup>2</sup> arena floor, and 5,500 ft<sup>2</sup> of concourse area. Seating capacity is 4,610 with 1,250 additional seats during non-ice events. Recently renovated aspects include 8 dressing rooms, new ice deck, HVAC, security, concourse flooring, and a new stage.

### Civic Centre



This multi-purpose building has a 16,000 ft<sup>2</sup> arena floor plus 1,000 ft<sup>2</sup> of concourse area. Seating capacity is 850 with 1,250 additional seats during non-ice events. Other spaces include 6 dressing rooms, meeting rooms, and connection to the Forum and Multi-Purpose Centre buildings.

### Multi-Purpose Centre



Various floor arrangements can be achieved in this 1,800 ft<sup>2</sup> of flexible space. A built-in bar and canteen support year-round events such as banquets, dances, and trade shows.

### Maritime Hall & Bingo Gaming Centre



Maritime Hall is a 4,500 ft<sup>2</sup> space often used for conferences, receptions, retail sales, and exhibitions. The Bingo Gaming Centre is a 18,000 ft<sup>2</sup> modern gaming centre typically set with tables and seating for 500 to host bingo games. If used for large-group meetings, the stage, 2 projectors and 10' screens are available.







## HALIFAX FORUM EXTERNAL REVIEW OF BUSINESS CASE AND PROJECTIONS

May 2017

### Executive Summary

#### 1.0 Introduction

Stantec completed the External Review of the Business Case and Projections for the Halifax Forum to provide a complete a due diligence review of business planning, preliminary design, and estimated capital costs of the proposed Halifax Forum Refurbishment and Expansion program.

#### 2.0 Current Status

The Halifax Forum was built in 1926. Over the years, it has shared its property with other structures: first, buildings associated with the Provincial Exhibition and, later, appended directly to the Forum itself as components of what was for a time the primary entertainment and recreation venue in Halifax. The Forum Complex now consists of the original Forum building and three more recently built structures attached directly or indirectly to it. HRM owns the facility but it is operated by the Halifax Forum Community Association (HFCA).

HFCA Board members indicated in their group interview with the consultants that the Forum Complex is doing well. In addition to hockey and skating, the facility accommodates a variety of community as well as recreational events. In addition to Bingo, the Forum now hosts a Farmers Market every Saturday that attracts more than 50 vendors, flea markets, and special commercial events selling items from sporting goods to automobiles, as well as hosting dances and weddings. Other recreational uses include summer uses of the concrete surface under the ice, most notably box lacrosse; training activities related to ice sports; and yoga. HFCA representatives suggested that they do six or seven separate events every weekend. The Forum has generated a surplus in eight of the past ten years.

#### 3.0 Building Renovation

The Long Term Arena Strategy prepared in 2013 assessed potential multi-pad sites on the Halifax Peninsula based on their ability to accommodate the BMO Centre prototype among other considerations. Multi-pad arena facilities like the BMO Centre in Hammonds Plains provide economies of scale for administration; lockers and changing rooms; ancillary services (e.g., canteen and retail operations); heating, cooling, and lighting; and parking. To maximize these benefits, facilities need to be carefully designed to allow joint access to shared components, a major virtue of the BMO Centre design and of several other recently constructed HRM recreation facilities.



## HALIFAX FORUM EXTERNAL REVIEW OF BUSINESS CASE AND PROJECTIONS

May 2017

The Forum Community Association has proposed the development of three ice surfaces on the Forum property. Their proposal will retain both the Forum and the Civic Centre as arenas. The plan will enlarge both ice surfaces to the 200' by 85' NHL standard to which HRM adheres. A third NHL-standard ice surface will be added at the north end of the property where it will replace the current multi-purpose centre. The plan calls for retention of the Maritime Hall and Bingo Centre in their current location.

The proposed redevelopment will include substantial upgrading of the Forum exterior largely through restoration of the fenestration that characterized the original design. It will also involve an overhaul of the Civic Centre façade on Windsor Street, which will include the incorporation of a “glass atrium entrance foyer” to provide a common access to the Civic Centre and the new arena that will replace the Multi-purpose Centre.

While the proposed redevelopment will leave three of the four structures comprising the Forum largely intact, it will significantly upgrade the appearance of the property and add to its utility. It will also restore an important heritage structure that the community values highly. It will not however allow more than partial implementation of the BMO model for access and operation discussed above.

### 4.0 Project Development

The HFCA proposal does not fully detail some aspects of the proposed redevelopment. Most notably, it is not clear how interior planning will deal with the considerable ramifications of restoring the arched windows of the Forum building. With this qualification, Stantec’s evaluation of costing prepared by Bird Construction on behalf of the HFCA largely confirms their overall estimate. While Stantec estimates a higher total cost, our variance from the Bird estimate is just 2.8%.

Stantec recommends beginning redevelopment with construction of the new ice surface on the site of the current Multi-purpose Centre. With the third ice surface in place, it should be feasible to provide two ice surfaces continuously throughout the construction process. The most critical conflict between construction requirements and ongoing operations of the Forum Complex appears likely to occur when the Forum itself is renovated and office uses on the east side of the Forum building will be displaced. We recommend holding the renovation of the Maritime Hall until the last phase of the redevelopment project so that the Hall can temporarily accommodate office uses while the current office areas are reconstructed. The lack of detail concerning the approach to redeveloping the office space adds to uncertainty concerning this provision.

### 5.0 Financial Assessment

To assess the financial situation of the Halifax Forum Complex, the consultants reviewed all information provided and reconciled all reports with the audited statements and other internal reports, which were also reconciled. Ten-year reports were prepared for the Statement of Operations and Accumulated Surplus (Deficit) at March 31 to analyze patterns over the period from 2007 to 2016.

## HALIFAX FORUM EXTERNAL REVIEW OF BUSINESS CASE AND PROJECTIONS

May 2017

Overall, the HFCA projection of operations appears reasonably balanced. Eventual financial results should be consistent should redevelopment of the Forum Complex proceed. Our analysis indicates that bingo operations are critical if the facility is to continue to generate a surplus as it has in recent years. New and augmented revenues expected from expansion and improvement of the complex are not sufficient to offset the loss of bingo revenues. Stable future revenues will also be required. A 20% reduction in revenue will move operations from a surplus to deficit operation, even with bingo as a component of the facility.


### **6.0 Summary and Conclusions**

The proposed redevelopment of the Halifax Forum Complex will restore a Halifax landmark while augmenting recreation opportunities on the Halifax Peninsula. Our review of capital and operating cost estimates submitted by the HFCA has found them to be realistic. Our adjustments are within a reasonable margin of error, and while they increase the capital cost and reduce the anticipated surplus relative to the Association's calculations, the differences are not sufficient to jeopardize the viability of the redevelopment as proposed.



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

**Item No. 11.1.9**  
**Halifax Regional Council**  
**July 21, 2015**

**TO:** Mayor Savage and Members of Halifax Regional Council  
Original Signed by 

**SUBMITTED BY:** \_\_\_\_\_  
Mike Labrecque, Acting Chief Administrative Officer  
Original Signed \_\_\_\_\_  
Jane Fraser, Acting Deputy Chief Administrative Officer

**DATE:** May 22, 2015

**SUBJECT:** Building Canada Infrastructure Update & Downtown Capital Improvement Fund

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**ORIGIN**

August 5, 2014 Council report "Building Canada Fund Infrastructure Projects"

**LEGISLATIVE AUTHORITY**

HRM Charter Section 74 – permits HRM to enter into agreements with the Province or Government of Canada to provide or administer municipal services.

**RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Direct staff to develop a new list of Building Canada Fund (BCF) projects for Council's consideration to submit once final decisions are made on the existing submissions. It is expected that approved funds for the existing project list will cover the current fiscal year up until 2017-18;
2. Rescind the February 11, 2014 Council motion to "Commit to a \$50 Million program, contingent upon other levels of government funding with one-third municipal contribution of \$17 million spread evenly over 5 years, beginning in fiscal year 2014-15";
3. Direct staff to develop business cases with funding from account no. CD000002 – Downtown Streetscapes – Capital Improvement Campaign for the Argyle Street and Spring Garden Road streetscaping projects, including detailed project scope, timelines, cost estimates, and funding strategy. Staff will return to Council for approval to proceed; and

4. Direct staff to prepare and return to Council with a long-term Streetscapes Capital Improvement Plan, including a list of remaining urban core public realm improvement projects with an estimated project scope, timeline, and cost estimate for each project, and funding strategies including potential partnering opportunities for each project.

## **BACKGROUND**

The 2013 federal budget announced a renewed Building Canada Fund that would deliver \$53 billion over 10 years for public infrastructure that supports federal priorities of productivity, economic growth and job creation. In March 2014 the Fund began accepting applications. Nova Scotia is receiving \$426 million over ten years under the Provincial/Territorial Infrastructure Component (PTIC). Ten percent of this is reserved for small communities, leaving \$398 million for applications from Halifax as well as other municipalities, Provincial projects and post-secondary institutions.

To apply for funding, municipalities submit a short request and project description to Nova Scotia Municipal Affairs, which undertakes an initial review and shares it with Infrastructure Canada. If approved, Municipal Affairs then requests detailed business case and projected cash flow for projects. Final decisions require both provincial and federal approval. The federal government will contribute up to one-third of project funds, except in the case of public transit where they will contribute up to 50% of project funds. The provincial government is also required to contribute one-third funding.

In August 2014 Council approved a number of projects for Building Canada applications. Projects were grouped into three categories:

1. Water & Wastewater
  - Aerotech Wastewater Treatment Facility - \$21 million
  - Northwest Arm Sewer Rehabilitation - \$15.4 million
  - Bedford-Sackville Trunk Sewer Storage Facility - \$20 million
  - Deep Storm Sewer Program - \$5.5 million
  - Sullivan's Pond Storm Sewer Renewal - \$8 million
  - Lake Major Dam Replacement – 2.1 million
  - Water Transmission Main Renewal/Redundancy - \$15.2 million for three projects in Lucasville, Port Wallace and Bedford Connector
  - Fall River Water System Phase 1 - \$7.6 million
  - Herring Cove Servicing Phase 2B - \$12.7 million
2. Transportation
  - Conventional Bus Expansion - \$23.6 million
  - Conventional Bus Replacement - \$92.3 million
  - Access-A-Bus Expansion - \$2.1 million
  - Access-A-Bus Replacement - \$7.8 million
  - Transit Terminal Upgrades & Replacements - \$18.9 million
  - Expanded Transit Centre - \$30.6 million
  - New Rural Express Service - \$4.4 million
3. Urban Core Investment
  - 5 year \$50 million downtown capital improvement proposal

Unlike the previous Building Canada processes, approved municipal projects are eligible for Building Canada funding consideration. All the water and wastewater projects are part of Halifax Water's Integrated

Resource Plan approved by the UARB, and all the transportation projects are included in Halifax Transit's 10-year capital plan.

The only project submitted that is not fully funded in HRM's long-term capital plan is the 5 year \$50 million downtown project. This project was conceptualized in the 2011 Economic Strategy as an action that would help achieve the goal of attracting increased investment and residents in the Regional Centre. The project was envisioned as an intergovernmental fund with each of the three levels of government contributing \$17 million. On February 11, 2013 Regional Council "endorsed public realm improvement project list for eligibility under the 5 Year, \$50 Million Capital Improvement Campaign." The list ranked twelve projects, eleven of which concentrated on urban core, right of way improvements, reduction of overhead wires in the pole free areas, public art, street furniture and other streetscape improvements. The twelfth project included was the implementation of Downtown Wireless internet access.

Council also approved at the same February 2013 meeting "to commit to a \$50 million program, contingent upon other levels of government funding with one third municipal contribution of \$17 million spread evenly over the five years beginning with \$3.4 million in fiscal year 2014/15". The first two years have been budgeted under project account CD000002 – Downtown Streetscapes – Capital Improvement Campaign. Funding for this project account was approved by Council July 29, 2014 under the new Q146 – Planned Strategic Projects Reserve. This reserve has been created and a business case for the reserve will be presented to council in the coming months.

## **DISCUSSION**

The Building Canada funding stream under which Halifax is eligible is intended to support projects over a ten year period and therefore accepts applications on a rolling basis. The Provincial government is committing funds for projects over the next three fiscal years, although HRM is able to submit applications at any time. It is expected that final decisions on Council's existing submissions will be made over the next several months. Once final decisions are received it is recommended that staff revisit the project list and develop new recommendations for Council's consideration.

Staff prepared initial applications for each of the water & wastewater, transportation and urban core projects listed above and shared them with the Provincial Department of Municipal Affairs. As per the Council motion, projects were not prioritized but sent for equal consideration by provincial and federal officials.

### **Aerotech Wastewater Treatment Plant**

In December 2014 Infrastructure Canada announced provisional approval for the Aerotech Wastewater Treatment Plant and requested a detailed business case as the second stage of the approval process. This information was sent and on June 18, 2015 the project received approval in principle. A contribution agreement is now being finalized and funding will flow in time for construction to begin in May 2016. The \$21 million Aerotech project will receive \$7 million each from the federal and provincial governments. Upgrading the Aerotech facility has been a major priority for Halifax Water, as the current facility is at capacity. Expansion of the Airport and the Aerotech Business Park cannot proceed until the facility is expanded, making this a vital upgrade to support economic development in the area. Increased wastewater treatment capacity will enable Halifax Regional Municipality to initiate the zoning change to expand Aerotech's uses to a broader range of commercial and industrial uses. The Aerotech project is the most expensive of the water and wastewater projects to be submitted to the Building Canada Fund, and receiving federal and provincial funding will relieve pressure on Halifax Water's ratepayer-funded capital costs.

Besides Aerotech, the other water and transit projects that Council approved were submitted and remain under federal and provincial consideration. As noted above, the projects submitted during this round are part of Council's long term capital plan and annual budgets will be developed to fully fund them.

#### Urban Core Improvement

The 5 year \$50 million downtown capital plan was envisioned as an initiative that would be cost shared with other levels of government. The municipal commitment was set at \$17 million over 5 years, approximately one third of the total cost. The 5 year \$50 million plan was also submitted for Building Canada consideration, but it did not meet the eligibility criteria of any of the PTIC categories. Further, there are no other federal or provincial funds under which it would be eligible. Because Council's approval of the \$17 million expenditure was contingent on the other \$33 million cost sharing, which was not forthcoming, staff now require new direction from Council on whether to proceed with this capital improvement campaign.

The twelve projects nominated for funding under the downtown fund were scored and ranked in the February 2014 Council report, using criteria such as public benefit, ability to maximize new investment, readiness and affordability. Council endorsed the project list which included the prioritization of the following four projects:

- Spring Garden Road streetscaping,
- Argyle Street streetscaping,
- Barrington Street streetscaping,
- Downtown Wi-Fi

Staff recommends preparing to undertake the Spring Garden Road and Argyle Streetscaping projects with the budget currently available in the capital account no. CD000002 – Downtown Streetscapes – Capital Improvement Campaign, funded by the Q146 Planned Strategic Projects Reserve.

Spring Garden Road is experiencing significant development pressure, and improving the road, sidewalk, curbs and lighting would benefit the entire area. The Queen Street corner was recapitalized in advance of the December 2014 Central Library opening and continuing the work would enhance the area for local businesses, pedestrians and residents. Spring Garden Road had a plan and design done in 2009 which, if Council approves the recommendations in this report, could be revisited and updated. Given the amount of funding currently available in the Q146 Planned Strategic Projects Reserve, recapitalization of Spring Garden Road may take place in two stages: initial work funded through the normal capital budget process occurring in 2016-17; and a more robust, longer term project being developed with the Q146 Planned Strategic Projects Reserve funding. This larger plan would return to Council for approval to allow the project to proceed.

Argyle Street will be undertaken in tandem with the Nova Centre construction schedule, and so is expected to occur in the 2016-17 construction season. It is imperative that HRM is prepared to make infrastructure improvements to Argyle Street in concert with the construction schedule of the Nova Centre. This will have cost benefits due to capitalizing on the already excavated sections of the street associated with the Nova Centre and will have benefits to the businesses on Argyle as they will not have to endure additional major construction on the street after the opening of the Nova Centre. The scope and business case for Argyle Street will also come back to Council for approval to proceed.

Barrington Street is currently undergoing planning for repair and resurfacing in the 2015-16 construction season. This is expected to have significant positive impact on Barrington Street and will join the Heritage Conservation District incentives program in facilitating municipal investment in the street. The street represents the third highest priority from the 5 Year \$50 million downtown capital plan, and the need for

further work will be assessed after the completion of the street repairs in 2015 and the completion of the Heritage Conservation District incentives program in 2016-2017.

The downtown Wi-Fi project is proceeding with an update to Council expected in summer 2015. For Council to make an informed decision on the long term commitment for the remaining projects, staff need to return to Council with a high level work plan with potential funding strategies. This plan will address those remaining urban core public realm improvement projects identified in the report on the 5 year \$50 Million campaign and not addressed above, including:

- George/Carmichael Street — In the Downtown Public Lands Plan, the George Carmichael Corridor is identified as an important spine for connecting the waterfront and lower town to the upper portions of downtown Halifax. It connects through important public spaces at Province House, Grand Parade and the foot of the Citadel. Creating a more pedestrian friendly experience along George Street right up to Brunswick Street is meant to encourage more commercial investment and public use along this corridor.
- Kings Wharf — The project is aimed at improving connections to the public and semi-public spaces within the Kings Wharf Development. Proposed connections involve making improvements to existing HRM public parks surrounding the development, as well as active transportation improvements.
- Granville Mall — HRM's sole 'pedestrian only' street, Granville Mall was successfully developed in the early 1980's. It remained vital through to the early 2000's when business began to suffer and the public mall fell into disrepair. The Mall needs to be rethought to determine how it can contribute to bringing increased vitality back to the area.
- University Ave — Dalhousie University's 2010 Campus Plan calls for the closure and improvements to the north side of University Ave from Robie to Lemarchant, to create an active transportation and park corridor. The concept is to use the street to contribute positively to the function and look of the University as a major economic component of HRM. The project would be part of an effort by the University to create an attractive advantage for attracting students.
- Quinpool Road — A less ambitious and costly version of a previous plan would see trees, lighting and streetscape amenities added to Quinpool, in conjunction with its identification as an important downtown service area and corridor for potential commercial and residential intensification.
- Portland Street - The project would see the continuation of the Portland streetscape treatments carried out in 2009 to the intersection of Prince Albert and Alderney. This would happen in conjunction with traffic improvements at that intersection and the Canal Greenway concept, as well as active transportation plans.
- Ochterloney Street — Streetscape improvements, including undergrounding, of the street is meant to improve the street as a pedestrian corridor, image route and important connection between the waterfront and residential areas. Currently a good deal of development is happening on the street.

### **FINANCIAL IMPLICATIONS**

\$3.4 million was budgeted in fiscal years 2014-15 and 2015-16 in capital account no. CD000002 – Downtown Streetscapes – Capital Improvement Campaign, with funding from the Q146 Planned Strategic Projects Reserve as the municipal contribution towards the original 5-Year, \$50 million Capital Improvement Campaign.

The current available \$6.8 million is available to be used to fund the first two prioritized urban core public realm improvement projects on Argyle Street and Spring Garden Road, with Regional Council's approval, upon presentation of the recommended detailed business cases. Funds required to prepare the business cases will be charged to capital account CD000002.

Staff will return to Council with the budgets for the remaining projects at a future date, as part of the longterm Streetscapes Capital Improvement Plan.

### **COMMUNITY ENGAGEMENT**

HRM staff is in ongoing communication with all affected Business Improvement Districts.

### **ENVIRONMENTAL IMPLICATIONS**

N/A

### **ALTERNATIVES**

Council could defer work on the downtown improvement projects until intergovernmental support is obtained. This is not recommended as there is no indication of federal or provincial funding sources at present.

Council could consider using Gas Tax funds to support either the water and wastewater or urban core priority areas. The Gas Tax Fund has expanded its eligible project categories to include local roads, broadband and connectivity, culture, tourism, sport and recreation. Water and wastewater projects have always been eligible under the Fund, and the eleven urban core projects could potentially align with the new local roads, broadband, culture and tourism categories. The Gas Tax Fund is sustainable, long-term funding, however it is a smaller pot of money than potential PTIC funding. Traditionally HRM has used Gas Tax funds for transit, and that has been factored into Metro Transit's budget and capital plan. This option is not recommended.

### **ATTACHMENTS**

Nil

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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: Anne Totten, Intergovernmental Affairs Advisor, 902-490-5623

Jacob Ritchie, Urban Design Manager, 902-490-6510

\_\_\_\_\_  
Maggie MacDonald, Managing Director Government Relations & External Affairs  
902-490-1742

\_\_\_\_\_  
Bob Bjerke, Director, Planning & Development 902-490-1627

\_\_\_\_\_  
Bruce Fisher, A/Director of Finance & ICT/CFO, 902.490.6308

Original Signed

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Report Approved by:

Report Approved by:

Financial Approval by: