

# HALIFAX

P.O. Box 1749  
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**Item No. 14.1.4**  
**Halifax Regional Council**  
**October 31, 2017**

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

Original Signed by



**SUBMITTED BY:**

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Jacques Dubé, Chief Administrative Officer

**DATE:** October 18, 2017

**SUBJECT:** HIAA Letter of Support

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## **ORIGIN**

Letter dated October 17, 2017 from Halifax International Airport Authority, to Mayor Savage, requesting a letter of support for two federal funding applications.

## **LEGISLATIVE AUTHORITY**

HRM Charter s. 71(1)(a) The Municipality may (a) solicit and encourage the establishment and development of new, and the establishment, development and expansion of existing institutions, industries and businesses in and around the Municipality.

## **RECOMMENDATION**

It is recommended that Halifax Regional Council sent a letter of support for HIAA's application under the federal National Trade Corridors Fund for an expanded air cargo logistics park.

## **BACKGROUND**

In July 2017 Transport Canada launched the National Trade Corridors Fund (NTCF). This fund will provide \$2 billion over 11 years for projects that support the flow of goods and passengers by reducing bottlenecks, and address capacity issues, and help the transportation system withstand the effects of climate change. Funding will be allocated to projects based on merit, with a focus on trade corridor efficiency and reliability. The NTCF has three objectives: easing capacity constraints, increase resilience, and adapting to new technologies. Submissions must show how they address at least one of these goals. Eligible projects include construction, rehab and improvement of hard infrastructure assets; acquisition of new technologies related to traffic & trade monitoring; and studies & research on efficiency & resilience of transportation systems or efficiency barriers. The NTCF will provide up to 50% of eligible costs, with a maximum contribution of \$500 million.

The NTCF will have multiple calls for funding over its 11-year lifespan. The first call opened in summer 2017, with a deadline of September 5 for initial Expression of Interests. Halifax International Airport Authority (HIAA) submitted two projects during this initial phase. One of these projects has been approved for the next phase of consideration, the comprehensive project proposal. This phase evaluates detailed project proposals and makes funding recommendations. The deadline for this phase is November 6, 2017. Transport Canada plans to make final decisions and have funding agreements in place by April 1, 2018.

Letters of commitment are needed from all parties involved in a project for the phase 2 comprehensive project proposal. More points are awarded for projects with broad community support and multiple partners that leverage several funding sources.

## **DISCUSSION**

HIAA has requested funding to construct the Halifax Stanfield Air Cargo Logistics Park. A logistics park would provide the infrastructure to connect commercial and logistics businesses in Atlantic Canada, to air cargo opportunities spanning the globe. The Park would have easy access to the regional highway system, Burnside Logistics Park and cargo facilities throughout the region. This development would expand the sole cargo facility currently at Halifax Stanfield and has the potential to become a business centre for cargo handling and operational support.

New cargo facilities would be developed on lands which are currently vacant. The park would see the construction of a new cargo apron area, buildings for cargo handling, an aircraft de-icing facility and associated operational areas on both sides of the security perimeter. It is expected that HIAA would lease the lands to a private developer who would construct any buildings and complete final grading and paving of the site. The airport authority will also be seeking funding from the Province as well as a private developer. New cargo facilities would improve fluidity in the movement of cargo from the whole Atlantic Region and allow ease of access to both national and international markets.

As noted above, projects that demonstrate support from government and other potential funders are more likely to receive funding. HIAA has sent a letter to the Mayor asking for a letter of support from HRM for this project. The deadline for the federal government to receive all documentation for HIAA's application is November 6, 2017.

HIAA is a major contributor to the regional economy, with its economic impact in Nova Scotia estimated at \$2.7 billion in 2015 – almost \$1.8 billion in impacts from airport and tenant operations, with the total impact from air cargo exporters approaching \$470 million and tourists entering the province at the airport contributing over \$838 million to the provincial economy (total adjusted to eliminate double counting). Last year, the airport served over 3.9 million passengers and processed more than 33,000 metric tonnes of cargo. Increasing the airport's capacity to handle cargo and increasing access to new markets would have a positive effect on the local and provincial economy. Currently HIAA manages 7,000 sq.ft. of temperature controlled cargo space, the largest of its kind north of Miami.

Cargo facility expansion would support the flow of goods by reducing bottlenecks, address capacity issues, and enhance trade for the province and Maritime region. Furthermore, the project is aligned with the economic development and transportation goals of all three levels of government, namely:

- the Halifax Gateway Council's current strategy;
- the Halifax Economic Growth Plan 2016-21 strategic goal of promoting and maximizing growth and its two related objectives – 1) working nationally and internationally to attract investment and trade; collaborating around major projects to maximize their impact on the economy;
- Nova Scotia Department of Transportation & Infrastructure Renewal's 2017-18 Business Plan, specifically the strategic goal of enhancing value and safety of the transportation system in support of the province's economic growth;
- The Report of the Nova Scotia Commission on Building Our New Economy ("the Ivany Report"), specifically the need to increase the total annual value of exports, increase the number of firms participating in export trade, and double the number of exports from the fisheries and agriculture sectors on a sustainable basis;
- The Provincial Government's Nova Scotia-China Engagement Strategy; and
- The pan-government Atlantic Growth Strategy which aims to double the number of exporting enterprises from Atlantic Canada from 1,700 to 3,400 by 2025.

Given the alignment of this project with HRM economic goals, it is recommended that the Mayor send a letter of support for the Air Cargo Logistics Park on behalf of Council.

### **FINANCIAL IMPLICATIONS**

None

### **RISK CONSIDERATION**

There are no significant risks associated with the recommendation in this Report. The risks considered rate Low.

### **COMMUNITY ENGAGEMENT**

This report is a result of a request from the airport authority.

### **ENVIRONMENTAL IMPLICATIONS**

None

### **ALTERNATIVES**

Council could choose not to send a letter of support. This is not recommended as the letter would help secure significant federal funding to support the Halifax Gateway expansion.

**ATTACHMENTS**

N/A

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

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