

HALIFAX

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

Item No. 14.1.2
Halifax Regional Council
August 14, 2018

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY: John W. Traves, Q.C., Acting Chief Administrative Officer

DATE: August 3, 2018

SUBJECT: **Halifax Forum Renovation Feasibility**

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

June 20, 2017 Regional Council meeting motion:
MOVED by Councillor Smith, seconded by Councillor Nicoll

...

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.

MAIN MOTION PUT AND PASSED UNANIMOUSLY

LEGISLATIVE AUTHORITY

HRM Charter, Section 79 (1) including (k) recreational programs and (x) lands and buildings required for a municipal purpose

...Recommendation on Page 2

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Direct staff to prepare an approach and preliminary plans, based on a Heritage Impact Statement, for the renovation of the Halifax Forum complex to a level of detail that would support an application for a substantial alteration to a heritage property along with refined cost estimates, as outlined in the Financial Implications, for the consideration of Regional Council.
2. Subject to the outcome of recommendation 1, direct staff to consider additional funding of \$16.5M be addressed as part of the upcoming capital budget processes.

BACKGROUND

In 2014, Regional Council considered a variety of options regarding the provision of arenas in HRM as part of the Long-Term Arena Strategy. This resulted in decisions to surplus certain older facilities and construct new arenas. At that time, one of the facilities under consideration was the Halifax Forum complex.

The Halifax Forum complex (Attachment A) has been renovated a number of times over the years, with new components added or changed. In its current configuration, it is comprised of several attached building components:

- the Halifax Forum, a single ice surface which was built in 1927 and is a registered municipal heritage building;
- the Civic, a single ice surface constructed in 1994;
- the Multi-purpose Centre, which is a large space that is used for events such as large meetings, retail warehouse sales and concerts, constructed in 1988; and
- the Maritime Hall/Bingo facility, constructed in 1961 as an arena that is now divided into the Maritime Hall, a general space that is used for meetings and general events, and the Bingo Hall that is primarily used for bingo with some events including a regular weekend flea market and farmers market.

Heritage Registration

The Forum building was tendered by the Provincial Exhibition Commission and designed by renowned Halifax Architect, Andrew Cobb. The arena was built on the Windsor Street Exhibition Grounds in 1926 and hosted the first hockey game played on artificial ice east of Montreal. The City of Halifax acquired the property and the Forum in 1948 from the Province. The Halifax Forum was officially added to the heritage registry on November 10, 2003. The application was made by G.C. Findlay, Chairperson of the Halifax Forum Community Association. The application was presented to the Heritage Advisory Committee on August 27, 2003 and was recommended for registration based mainly on its social history and its noted architect, Andrew Cobb. The registration only applies to the actual Forum structure and not to the Civic Arena, Multi-purpose facility, Maritime Hall or Bingo Hall portions of the complex.

As a municipally registered heritage property, the Forum is afforded the protection of the *Heritage Property Act*. Thus, despite its ownership by HRM and the evolving operational and budgetary considerations, any alterations to the property would require, at least, a substantial alteration and associated Heritage Impact Statement to be prepared.

Proposal

The Halifax Forum Community Association (HFCA), the Board that runs the facility on behalf of the municipality, submitted a proposal to redevelop the Halifax Forum Complex, while maintaining its heritage designation. The HFCA's proposal indicated that its overall objective was to enhance the experience of facility users and extend the life of this historic venue for years to come.

To that end, the HFCA proposal included:

- the expansion of the existing Forum and Civic ice surfaces to meet NHL standards;
- modernizing the concourse and seating of the Forum and restoring its historic façade;
- demolishing the Multi-purpose facility and building a third ice surface;
- development of a concourse connecting all three ice surfaces;
- development of multipurpose spaces for community use; and
- renovations to the Maritime Hall and Bingo Hall.

The HFCA proposal included a business case and cost estimate of \$38,000,000 for the renovation and new construction. Regional Council considered the HFCA proposal concurrently with proposals for a partnership with Department of National Defence for a multi-pad arena and a two-pad partnership with Dalhousie and Saint Mary's universities. Regional Council opted to proceed with the HFCA proposal and directed staff to undertake additional work to commence the planning for the project.

Review of Proposal

Pursuant to a recommendation from the Auditor General, Regional Council has directed that any external proposals to the municipality be subject to a third-party review. Through 2016, HRM staff worked with consultants to evaluate the HFCA business case and consider the condition of the building components. The business case was found to be sound, but with concerns related to the revenue source of bingo and the impact of a possible new university arena proposal, given that both St. Mary's and Dalhousie Universities rent ice time at the Halifax Forum. The building assessment revealed concerns about renovation costs and possible issues with the walls and roof structure of the Halifax Forum, noting that further investigation should be undertaken. In addition, that assessment only reviewed the building condition without completely assessing the HFCA proposal.

Staff reported the findings on the business case and building assessment to Regional Council. On June 20, 2017, Regional Council directed staff to complete additional reviews on the Halifax Forum complex project, including further detailed building analysis and consideration of the potential impact of a possible new university arena. This staff report responds to that direction.

DISCUSSION

Summary

Given the significance of the heritage building and cost increase in the renovation of the Halifax Forum complex, it is recommended that Regional Council direct staff to prepare an approach and building plans for the renovation of the Halifax Forum to a level of detail that would support a heritage application in order for heritage staff to be able to determine how to incorporate the requirements of the Heritage Impact Statement into the overall project, along with refined cost estimates for Regional Council's consideration in upcoming capital budgets.

Directing staff to prepare an approach and preliminary plans will effectively reconfirm that part of the July 29, 2014 Regional Council direction to renovate the Halifax Forum complex based on the proposal from the Halifax Forum Community Association submission, acknowledging the original estimate of \$38M is now updated to a preliminary (Class D) cost estimate of \$60,500,000 plus net HST and other considerations outlined in this report.

Should Regional Council not wish staff to proceed in light of the information set out in this Discussion action, alternatives have been provided in the Alternatives section of this report.

Current Halifax Forum Complex Assessment

As noted above, additional building condition assessment efforts were required to better understand construction risks and costs. The scope of the current building assessment, undertaken by Capital

Management Engineering Limited (CMEL), is an investigation into the condition of the entire Halifax Forum complex to determine the cost of a renovation based on the submission of the HFCA.

It included:

- interviews with municipal staff;
- review of available building drawings;
- on-site assessment that included a building walk-through, data collection, collection of and observation of building, equipment and component conditions;
- development of a gap analysis between the current complex and proposed program outlined in the HFCA submission, estimated costs and schedule; and
- estimates of new construction and renovation costs associated with the additional area required to meet program objectives.

The executive summary of the assessment undertaken by CMEL is included as Attachment B, with the full report available at https://www.halifax.ca/sites/default/files/documents/about-the-city/regional-community-planning/Halifax%20Forum%20%20Redevelopment_0.pdf. An overview of the major findings is outlined below.

During the building assessment, CMEL noted the complex, as expected for a building constructed in 1927, requires substantial work to bring it up to current Building Code and meet standards for accessibility, functionality, and energy efficiency. Buildings are required to be constructed in compliance with the building code in force at the time of construction. Typically, a renovation of any significant magnitude will require that the building be made compliant with the current Building Code. However, to help maintain key heritage aspects, there is also the opportunity to consider the use of objective-based solutions to meet Code requirements. This type of approach enables alternative, rather than prescriptive means, to comply with the Code, provided its objectives (safety, health, accessibility, fire & structural protection etc.) are met with at least the same level of performance that are achieved through prescriptive means.

With respect to the Halifax Forum, CMEL indicated that the roof structure through the complex does not meet current day snow, lateral or seismic requirements. Additionally, life safety issues with the Forum building, specifically, were also raised in areas such as:

- distance to egress;
- number of egress points;
- lack of sprinkler coverage;
- a combustible roof;
- distance below minimum clearances surrounding seating;
- density of seats versus egress pathways; and
- slopes associated with the lower concourse exceed allowance for egress.

A review by a code consultant was performed on the facility and resulted in recommendations to reduce maximum occupancy. These measures have been put into place and, along with the necessary building upgrades, would help to address the above noted deficiencies.

Based on the CMEL report, the renovation of the entire complex would be challenging, especially since it is expected that the entire complex would have to be brought into compliance with the current Building Code. In addition to the Code and life safety issues, the exterior masonry of the Halifax Forum is deteriorated to such an extent that it is beyond repair and would need to be replaced. Equally, there are issues with the wall support structure. Recent work has been completed to brace the exterior brick walls and make repairs to structural columns. The interior renovations would need to include extensive work to the concourse and renovations to egress points, as well as a reduction in the amount of seating to ensure the correct ratio of egress pathways to seats. Interior renovations are not impacted by the heritage designation on the property. The designation only focuses on the exterior features of the building.

In addition to the Forum, the Civic arena would also require renovation, including structural reinforcement of the roof, to accommodate the expansion of the ice surface and modern code requirements. The assessment determined that based on the current state of the multi-purpose centre, it requires significant work which may make it not feasible to retain, regardless of whether it is replaced with a new ice surface.

Finally, the ice plant currently serving the two pads is at the end of its life and a new plant that is suitable for servicing the three pads would need to be included.

The Class D cost estimate for the restoration of the Halifax Forum Complex, with the demolition of the multipurpose room and construction of a third ice surface is estimated to be \$60,500,000, which includes:

- demolition costs approximately \$4,000,000;
- repairs and renovations approximately \$39,800,000; and
- new construction approximately \$16,700,000

It should be noted that a class D cost estimate is considered to be accurate to within 20% plus or minus the estimated amount.

The cost estimate is significantly higher than the initial estimated \$38,000,000 outlined in the HFCA proposal. During the initial scoping of the building assessment, options for flexibility in the building design program were explored such as eliminating the proposed removal of existing columns in the Halifax Forum and leave them in place, to potentially reduce costs. Such flexibility was considered, but did not result in any considerable cost savings. The substantial costs of the project are largely related to the changes required in the Halifax Forum building.

It should be noted that while the renovation project would be comprehensive, it would still likely result in a building complex with functionality issues due to the configuration of the existing two arenas and the proposed location of the new arena on the site of the existing multi-purpose centre. In addition, while the Class D cost estimate does have contingencies, the magnitude of the renovation project may reveal additional unforeseen building issues.

Heritage Designation

While the building assessment is based on the renovation proposal from HFCA, redevelopment options are also limited based on the Halifax Forum's heritage designation. Any redevelopment project would need to respect the heritage character of the building. The Statement of Significance associated with its heritage registration highlights its social and architectural values, including the building's association with local sports history and its Georgian style architecture.

While a Heritage Statement of Significance was not developed as part of the heritage designation of the building, the work on that process highlighted a number of important features:

- Georgian architectural elements such as the low pitched roof, balanced proportions, central doors on each wall and white granite string course which wraps around the entire building [Note that in its building assessment, CMEL found that the string course is concrete and not granite]
- String course above and below third storey windows
- Remaining features of small windows above and below (now filled in with brick) on the Windsor Street side
- Remaining features of arched windows in both the front and rear facades with fanlight style windows above reminiscent of clerestory windows found in churches (both filled in with brick)
- Remaining features of front central arched window over the entrance (now filled in with brick)
- exterior red brick with two large brick pilasters forming the entrance on the front of the facade and the rear
- Wood construction and concrete foundation of contrasting colour (Municipal Heritage Registry)

Heritage Process

Based on the information known to date, any extensive exterior renovation of the Halifax Forum will require the Municipality to apply for a substantial alteration to a registered heritage property pursuant to By-law H-200, the Heritage Property By-law. Such applications are assessed against *The Standards and Guidelines for the Conservation of Historic Places in Canada*. As part of any proposal to alter a heritage property, a typical substantial alteration application would include preliminary plans and construction approach

supported by a Heritage Impact Statement which is defined in By-law H-200 as, “a study to determine if any heritage resource will be impacted by a specific proposed development or site alteration, and which can also demonstrate how the heritage resource will be conserved in the context of redevelopment or site alteration, and in which mitigative or avoidance measures, or alternative development or site alteration approaches may be recommended.” Based on the broad scope of renovations recommended in this report and the existing heritage designation, heritage staff has confirmed that a Heritage Impact Statement and other supporting documents would be required in order to proceed with the project.

The *Standards and Guidelines* emphasize the repair rather than replacement of character defining elements, and an approach of minimal intervention, however, these guidelines also acknowledge the need to replace deteriorated building elements which have reached the end of their lifespan. Therefore, preliminary plans and construction approach based on the HFCA submission and consultant’s report will require additional analysis by a qualified conservation specialist to determine means by which the heritage value of the structure can be maintained while meeting the operational objectives for the building. Such analysis could result in alternate and potentially more cost-effective means of preserving the building’s heritage value. Conversely, it could highlight additional costly building changes as a result of the building’s heritage status. Overall, the Heritage Impact Statement could have a significant impact on the reported cost projections outlined in this report, however, the nature of that potential impact cannot be confirmed until a heritage assessment is completed.

University Arenas and the Number of Ice Surfaces

St. Mary’s and Dalhousie University both have varsity and student hockey programs. St. Mary’s University had an on-campus arena, but it was undersized and therefore did not accommodate its men’s hockey program so it was played at the Halifax Forum. The arena was booked for other university and community groups. Dalhousie University currently does not have an arena and it uses the Halifax Forum for its hockey programs. Pursuant to Regional Council’s direction, the universities were contacted about potential plans to construct new ice surfaces in order to understand the impact that this may have on the Halifax Forum.

St. Mary’s University recently announced that it is proceeding with a demolition and replacement of its existing arena, which is underway. The facility will be enlarged with an NHL-sized ice surface and consequently it will accommodate the university’s complete hockey and recreation needs. It will also be available for community access. It is anticipated that construction will be complete by Fall 2019. While this will have a negative impact upon usage at the Halifax Forum, it is also recognized that university men’s hockey practiced at non-peak times and evening games and only for a limited season. Therefore, while there will be a financial loss of rental fees from St. Mary’s, is expected that this can be offset with bookings from other groups.

Dalhousie University has explored establishing an arena with two ice surfaces on provincially-owned lands adjacent to Gorsebrook Park in Halifax. At one time, the proposal included a partnership with St. Mary’s University and HRM. However, as noted, Regional Council opted to not pursue that partnership. After being contacted about its plans, Dalhousie has in fact proposed a new partnership with HRM (Attachment C). This proposal is essentially the same as previously considered by Regional Council and was not considered to be as favourable as the renovation to the Halifax Forum complex or a previous proposal for a partnership with the Department of National Defence. While this is brought to Regional Council’s attention, staff has not considered it due to past decisions. Although the challenges related to the university proposal which were outlined in the previous staff report, including siting, compatibility, access and traffic, may still exist, Regional Council could choose to direct staff to explore the potential partnership with Dalhousie University, in place of an expansion to the Halifax Forum.

Overall Ice Surface Inventory

In addition to the future plans by the universities regarding potential arenas, the overall inventory of ice surfaces may influence Regional Council’s decision on the HFCA proposal and the need for the additional surface. The original analysis for the Long-Term Arena Strategy outlined a requirement for 25 ice surfaces. Through subsequent analysis and deliberations during the Community Facilities Master Plan 2, and an update on ice surface inventory that was considered by Regional Council on June 20, 2017, the overall

number of 24 ice surfaces has been recognized as being needed in HRM. However, while continued repairs to arenas are completed, it has been concluded that the retention of 25 ice surfaces is prudent. Based on this, and with the construction of new municipal facilities, Regional Council made decisions regarding several existing arenas as follows:

- Gray Arena: It was retained for the 2017/18 season while repairs were undertaken at Cole Harbour Place, but is slated to be sold in 2018 through the Community Interest Category of Administrative Order 50.
- Bowles Arena: It is in the process of being sold, but is expected to be retained as a private ice surface and it is expected that some community access will be available.
- Devonshire Arena: It is to be demolished with the lands being retained for future municipal recreation purposes.
- LeBrun Arena: The LeBrun Arena was retained as an ice surface in 2017/18 in order to assess its usage and to ensure that the municipality could continue to meet scheduling needs as the new Dartmouth 4-Pad was opened.

With the LeBrun Arena being retained, Regional Council also requested that staff review its usage following the 2017/18 season in order to determine its future. Since that review may also influence the overall inventory, it has been included in this report in order to be considered in Regional Council's decision regarding the HFCA proposal.

For the 2018/19 season, the St. Mary's University Arena will be out of commission and is expected to reopen for fall 2019. The Spryfield Lions Rink is currently closed for repairs which are scheduled to be completed by Fall 2018. Once the St. Mary's Arena reopens and if the LeBrun Arena continues to operate, there will be 26 ice surfaces in 2019/20 (Table 1).

Table 1, Number of Ice Surfaces for 2019/20 with the Retention of LeBrun Arena

Arena	Operator	Ice Surfaces
Bedford Dome	Private	1
BMO Centre	HRM (Nustadia)	4
Bowles	Private	1
Centennial	Board	1
Cole Harbour Place	Board	2
Dartmouth 4-Pad	HRM (Nustadia)	4
Dartmouth Sportsplex	Board	1
Eastern Shore Community Centre	Board	1
Halifax Forum Complex	Board	2
LeBrun Arena	HRM	1
Sackville Arena	Lake District Recreation Association	1
Sackville Sports Stadium	HRM	1
Scotiabank Centre	Board	1
Shearwater Arena	DND	1
Spryfield Lions Rink	Board	1
St. Margaret's Centre	Board	2
St. Mary's University	Private	1
Total		26

LeBrun Arena

As part of the consideration of the ice surface report in June 2017, Regional Council directed that the LeBrun arena be retained in 2017/18 as part of the transition with the opening of the new Dartmouth 4-Pad.

Regional Council also directed that the costs for renting the ice at the LeBrun Arena be changed to be consistent with those of the BMO Centre and the new Dartmouth 4-Pad to assess the demand for the additional ice surface. As indicated in Table 2, there was strong demand for prime-time ice during the winter season with 94% of prime-time availability being booked. The majority of that time (89%) was booked by youth and minor groups. While the demand for prime-time ice time was strong, there was less demand for non-prime time, with only 31% of available hours being booked. The primary reason for this is that most youth/minor groups do not take advantage of early morning (6am-8am) ice availability.

Table 2: LeBrun Usage based on typical week for 2017/18 Season

LeBrun Arena Usage	Prime Time*	Non-Prime Time**
Public Programming	0.0	4.0
Youth/Minor Groups	55.5	3.0
Adult Groups	2.5	13.0
Total Hours Used	58.0	20.0
Available hours/week	62.0	64.0
Percentage Used	93.5%	31.3%

*Prime Time hours are between 4pm -10pm Monday to Friday and 6am -10pm Saturday and Sunday

**Non-Prime Time hours are between 6am - 4pm Monday to Friday and 10pm -12am, each day

While the data shows that there continues to be strong interest in the prime time usage of the LeBrun Arena, it also shows that the additional ice surface in the total inventory does have some impact on the overall scheduling of all arenas, in particular non prime time hours. With the retention of the LeBrun Arena, there was an additional ice surface in the overall inventory. As a result, only 31% of all available non-prime time hours were booked at Lebrun Arena in 2017/18, with none of the early morning hours being scheduled.

Across the overall network, evening non-prime time usage declined from 59% usage in 2011/12 to 55% usage in 2017/18. Early morning non-prime time usage declined quite significantly from 39% usage in 2011/12 to just 22% in 2017/18. This drop is even more significant when compared to the 61% early morning utilization in 2007/2008. Therefore, while there was strength in the prime time hours usage, it was offset by reductions in usage of non-prime time hours across all arenas.

As noted above, 24 ice surfaces are the necessary number of ice surfaces to provide appropriate services to residents, but 25 is recommended for contingency as a construction/maintenance swing space. While the Bowles Arena is expected to reopen and be operated by a private company, until that occurs, there will not be time to fully access how it might continue to be used for public use and supplement or impact the overall inventory. Therefore, the LeBrun Arena will be operated while construction is completed on other facilities and it is not needed for ice inventory. Staff will return to Regional Council for updated direction at that time.

Overall Need for Ice Surfaces at the Halifax Forum

With the retention and continued use of some of the arenas such as the Bowles, the replacement of the arena at St. Mary's (that will be able to accommodate a wider array of bookings through its enlarged ice surface), the possibility that Dalhousie may proceed with its own arena sometime in the future, and the variety of other factors outlined in this report, municipal needs could be met with only two ice surfaces at the Halifax Forum Complex. These factors could lead Regional Council to direct staff to only develop two ice surfaces at the Halifax Forum as a means to reduce costs and to aid in the restoration of the historic Halifax Forum.

Options

While Regional Council has authorized staff to start work on the HFCA proposal, the significant increase to the estimated cost could warrant a review of that decision and consideration of an alternate approach to the refurbishment of the Halifax Forum. Regional Council had previously considered alternatives for that project. An update and summary of alternatives are as follows:

Limited Renovation

As an alternative to the full renovation outlined above, the municipality could decide not to take any substantial actions relative to the Halifax Forum complex, essentially retaining the existing building components with necessary repairs. However, this would not achieve the program requirements that have been sought by Regional Council. The further challenge with this option is the deteriorated condition of the building elements and particularly the Forum. The entirety of the exterior masonry needs to be replaced, structural elements need attention, and there are life safety and egress issues that need to be addressed. Therefore, the status quo of retaining the Halifax Forum in its current state is not seen as a suitable option. Furthermore, the estimated cost of this alternative is relatively high, with approximately \$17,000,000 in deferred maintenance. The estimated deferred maintenance cost does not address upgrades to current codes and standards, which may be triggered by the maintenance work, depending on the scale of necessary repairs.

Reduced Building Program

As noted, staff has determined that the municipality could proceed with only a total of two ice surfaces at the Halifax Forum and still meet its overall identified ice surface needs in HRM. With the removal of the proposed third ice surface, there would be some reduction in overall costs, but not substantially as the major capital renovation expenditures would still be required. Removal of a third ice surface could save approximately \$8,000,000 from the overall cost. Under this option, the multi-purpose room would still be demolished due to its current condition, the Forum and Civic arenas would undergo major renovations, and the Bingo Hall/Maritime Hall would be renovated to meet current Building Code requirements.

Under this option, Regional Council could also direct staff to assess the merit of renovating the Halifax Forum and completely replacing the Civic and Maritime Hall/Bingo Hall with new multi-purpose community space given the age and condition of these facilities. That would also provide the opportunity to better integrate all of the components into the overall complex, improving the current disconnections caused by the various expansions and renovations over the years.

Other Opportunities

As an alternative to the full renovation or reduced building program, Regional Council could direct staff to consider other opportunities. The range of opportunities could include potential partnerships or alternate recreation services. As noted, Regional Council has previously considered proposals from Department of National Defense and Dalhousie/St. Mary's Universities. In addition, there are other recreation services which Regional Council may want to consider, either on that site or in concert with some of the existing services provided at the Halifax Forum facility.

Should Regional Council want to consider opportunities for both the site and recreation services on the peninsula, the most significant requirement would be the need to be willing to consider the demolition of the Halifax Forum. As a registered heritage building and for the reasons outlined in this report, it is understood that would be a significant decision. However, with the current state of the building, it is not prudent to proceed with consideration of alternatives, if Regional Council does not want to consider the possible demolition of the building, as it will take additional time. However, with the significant cost to the project and life cycle of a new facility, it is an alternative for Regional Council to consider to ensure it is best able to meet future recreation needs on the Peninsula, especially with increased densification.

In order to consider any potential opportunities, staff would need to be directed to undertake additional analysis. That analysis would entail:

- The requirement for HRM to undertake limited facility maintenance, as noted above. It will be necessary for the current facility to be maintained in order to mitigate the risk of failure so recreation services are not impacted
- Staff would need to review and revisit the Peninsula recreation needs. In particular, with the densification of the peninsula, requests for additional recreation services (i.e., 50M pool) and potential for changing recreation needs, the direction previously outlined in the Peninsula Recreation Facility & Service Review, completed in 2010, would need to be confirmed to determine if it is still valid or needs to be updated.
- Once updated recreation needs are confirmed, the analysis would then need to confirm how the current Forum site could meet those needs, any potential changes required to the site or alternate site requirements.
- With that updated information, staff would then return to Regional Council to obtain direction on the project.

As noted, while exploration of other opportunities would require additional analysis and time, there are a number of factors that provide strong rationale for Regional Council to consider this approach:

- Opportunity costs – Should Regional Council continue to proceed with the HFCA proposal, it is estimated that there is a potential lost opportunity cost. While the level of such would depend on any potential partnerships and project scope, based on previous proposals it would not be unreasonable to expect that opportunity costs in the range of \$30M may be possible, which could then be applied against other HRM infrastructure requirements and the current capital funding shortfall.
- Changing recreation needs and landscape – There have been a number of changes in the provision of recreation services since previous decisions on peninsula recreation and arena inventory requirements. Further, with the densification of the peninsula, there is increasing demand for recreation services (other than ice) and open space and parkland for the new residents, primarily living in multiunit facilities. Finally, requests for new or the need for replacement of other major recreation facilities, such as Needham and George Dixon Centres, need to be considered.
- Planning objectives – The current site is part of a “superblock” meaning there is limited connectivity through it. With the work on the Centre Plan nearing completion and significant densification of the peninsula occurring, there may be opportunity to consider reconfiguration of the existing site either on its own or aligned with adjacent sites. That could provide opportunities to both reduce the mass of the super block and improve connectivity within the neighbourhood.
- Real estate opportunities – With the densification of the peninsula, there may be real estate opportunities related to the Forum site or other lands which could help to offset a new or replacement facility.
- Potential partnerships - There may be the ability to revisit the previous partnerships or explore new ones, which could reduce costs for a new facility or provide opportunity for new or enhanced facilities or programs.

Summary of Options

With the potential for significant increased costs associated with the HFCA proposal and heritage designation of the existing building, staff felt it prudent to advise Regional Council of the other potential options available to Regional Council with respect to the Halifax Forum before continuing the necessary work required to advance the completion of its expansion and renovation. A comparison of the various options and respective cost estimates will help Regional Council in that consideration.

Table 3: Summary of Options**

	HFCA Proposal	Limited Renovation	Reduced Building Program*
Approximate Cost	\$60,500,000	\$17,000,000 (+ potential additional costs for key building code issues)	\$52,500,000
Number of ice pads	3	2	2
NHL sized ice	Yes	No	Yes
New ice slab	Yes	No	Yes
Forum	Renovated	Recapitalize	Renovated
Civic	Renovated	Recapitalize	Renovated or replaced
Multipurpose Centre	Replaced with third ice surface	Recapitalize	Demolished
Maritime Hall and Bingo Hall	Renovated	Recapitalize	Renovated
Community Space	Some space reestablished between arenas	Existing space maintained	New community space built

*The costs for Reduced Building Program would be impacted by the program components incorporated into the design.

**Costs and scope of additional alternatives have not been included as they would need to be determined through additional analysis

FINANCIAL IMPLICATIONS

Funding has been allocated in the proposed capital budget, project account CBX01340 with \$4 million in 2019/20 for design and \$20 million in each of 2020/2021 and 2021/22 for construction for a total of \$44 million based on the original cost estimate of \$38 million plus design and contingency. The Strategic Capital Reserve (Q606) has been identified as the funding source for this project. This reserve is dependent on sale of properties declared surplus by Council. There are several key properties planned for sale, such as the former St. Pats High, St. Pats Alexandra and Bloomfield, that remain subject to approval of the municipality's Center Plan. The approval of the Center Plan policies is expected in late 2018/19; as a result the reserve will have a net negative balance available until the land transactions occur. As per the Reserve Administrative Order, no reserve shall have a negative balance, so if the funds from the sales are not in the reserve, while expenses are occurring in the project, the project is not funded until such time as revenue becomes available in the reserve to fund the project.

With the new costing information, additional funding of \$16.5M will need to be considered as part of the upcoming capital budget processes. There are several possible funding sources that Council could consider. Council could choose to approve a one-time transfer of reserve funds from one of the substantially funded reserves such as the the Debt Principal and Interest Reserve. Council could increase debt to cover the shortfall however; the principal and interest payments would then impact the operating budget. Council could direct staff to reprioritize future capital budgets to accommodate the shortfall. However, this would add pressure to the capital budget which currently has a funding shortfall of approximately \$380M over the next 3 years.

Completion of the preliminary architectural plans, construction approach, refined cost estimates and Heritage Impact Statement, is expected to cost approximately \$45,000. This work can be accommodated in account CB180001, Multi-District Facilities (MDF) Upgrades.

Budget Summary, CB180001 – Multi-District Facilities (MDF) Upgrades

Cumulative Unspent Budget	\$1,188,363
Less: Preliminary Architectural Plans per this report	<u>\$ 45,000</u>
Balance	\$1,143,363

In terms of operating costs, the business case for the HFCA proposal indicated a positive financial position, based on the programs and services currently provided and the replacement of the multipurpose space with a third ice surface. As noted, that business case has been reviewed by a third party and was found to be sound, but with concerns related to the revenue source of bingo and the impact of a possible loss of ice rentals from both St. Mary's and Dalhousie Universities.

RISK CONSIDERATION

Building Risk: The risks associated with the report's recommendation are potential unforeseen costs with the renovation of the Halifax Forum complex. An investigation of building conditions has been the subject of the CMEL building assessment, which helps to identify prospective costs. The recommendation to undertake the completion of the preliminary plans, approach and heritage impact assessment would help to mitigate that risk and inform the capital funding requirements. Further detailed cost estimates will be prepared in the subsequent work that is recommended in this report to return to Regional Council.

Heritage Property Risk: A decision to not invest in efforts needed to preserve the Forum's heritage characteristics could result in reputational harm to the Municipality. The intent of the heritage property program is to ensure the continued preservation of HRM's heritage resources for current and future generations. While the cost of the building restoration has the potential to increase significantly, as the building owner, it is incumbent upon the Municipality to exhibit stewardship in this area by investing in the Forum's heritage preservation. Thus, it is important that staff continue to explore scenarios which could meet the Municipality's operational needs while still abiding by the provisions of the *Standards and Guidelines for the Conservation of Historic Places in Canada*. This work will be informed by the Heritage Impact Statement.

Financial Risk: There is considerable financial risk with respect to additional costs associated with the project, capital funding, capital reprioritization as well as reserve funding as outlined in the financial implications section of this report.

COMMUNITY ENGAGEMENT

Staff have met with Halifax Forum Community Association and representatives of the universities in the completion of this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

ALTERNATIVES

Alternative 1: Regional Council could direct staff consider a building program of only a total of two ice surfaces at the Halifax Forum complex. If Regional Council directed this alternative, in addition to renovating the Forum, staff would undertake the cost/benefit analysis of replacing the Civic, Maritime Hall and Bingo Hall with a new arena and community space, unless directed otherwise.

Alternative 2: Regional Council could direct staff to further investigate other opportunities for the Halifax Forum as outlined in the Discussion section of this report and to return to Regional Council with a report and recommendation regarding further direction. This would include directing staff to undertake the additional analysis as outlined in the report and the requirement for

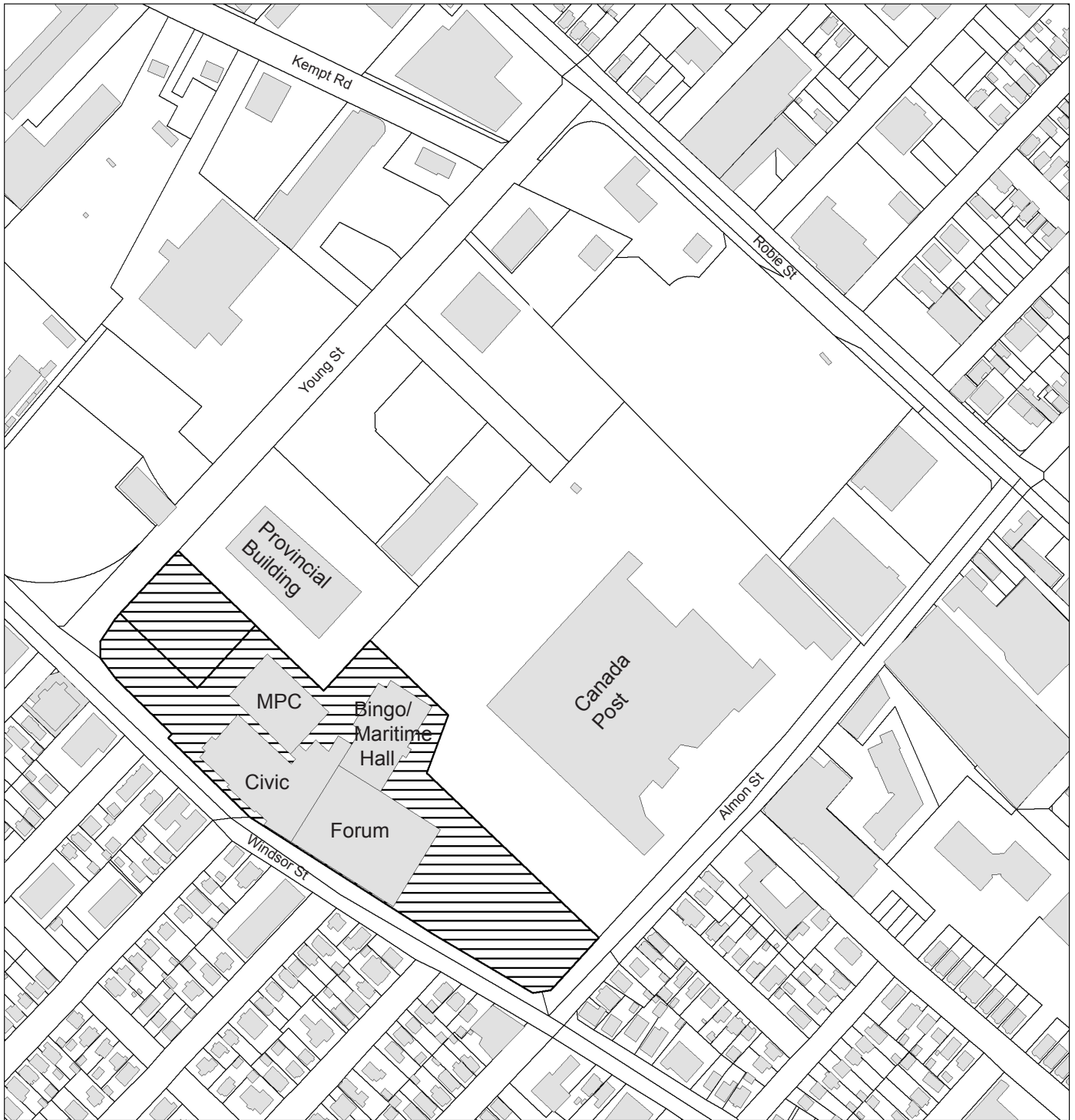
HRM to undertake the necessary repairs and maintenance to ensure the facility is able to be maintained in order to mitigate the risk of failure so recreation services are not impacted.

ATTACHMENTS


- Attachment A Location of the Halifax Forum Complex
- Attachment B CMEL Report Executive Summary
- Attachment C Letter from Dalhousie University

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Gareth Evans, Recreation Planning Specialist, 902.292.1264
Richard Harvey, Manager of Policy and Planning, 902.476.5822
Aaron Murnaghan, Principal Planner, Heritage, 902.292.2470

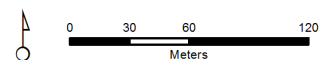


Location of the Halifax Forum Complex

 Halifax Forum Complex

HALIFAX

Produced by HRM
Parks & Recreation Policy and Planning





Capital Management
Engineering Limited

EMPOWERING OUR CLIENTS WITH
KNOWLEDGE

5531 Cornwallis Street,
Halifax, NS, Canada

Phone: 902 429 4412
Fax: 902 423 4945



CAMPBELL COMEAU
ENGINEERING LIMITED
CONSULTING ENGINEERS

2719 GLADSTONE STREET
SUITE 110 HALIFAX, N.S. B3K 4W6
Tel: 429-5454 Fax: 444-3099
Email: cce@campbellcomeau.ns.ca

HALIFAX



Draft Report

Halifax Forum Redevelopment 2901 Windsor Street Halifax, Nova Scotia

February 2018

HRM Contract Number 2070619280

Project Number 1701079

Prepared for: Mr. Darren Young
Project Manager
Operations Support /
Corporate Facility Design & Construction
Halifax Regional Municipality
PO Box 1749,
Halifax, NS B3J 3A5

Prepared by: Capital Management Engineering Limited
5531 Cornwallis Street
Halifax, NS, B3K 1B3
(902) 429-4412

Executive Summary

Project Description

Capital Management Engineering Limited (CMEL) was retained by Mr. Darren Young, Operations Support / Corporate Facility Design & Construction, Halifax Regional Municipality following Council's decision to investigate further the possibility to redevelop the property known as the Halifax Forum located at 2901 Windsor Street Halifax. The subject of this report is to better define the potential challenges and risks associated with redevelopment and provide a budget level estimate. In addition the project is to identify specific limitations or criteria that may not be achievable.

An assessment of the property was undertaken in 2016 to identify and compare the costs associated with repairing and renovating the current facilities or demolishing them and building new. The 2016 report provided a general overview of the present condition of the building components and provided an opinion of probable costs to remedy any identified physical deficiencies over an evaluation period of 20 years. CMEL completed the architectural assessment, and was also responsible to coordinate and integrate into the report, discipline specific assessments of the structural systems undertaken by Campbell Comeau Engineering Ltd. (Campbell Comeau) and mechanical, electrical, life safety and ice plant assessments which were completed by Eastpoint Engineering Limited (Eastpoint).

This report is an extension of the first study which continues to be used as a baseline with respect to redevelop and renovate the current building to meet the defined program needs.

The propose of the report is to define the costs and risks related to accommodating an additional ice pad at the Halifax Forum site and meet the requirements of a Functional Space Program (Program) as defined by the Halifax Regional Municipality's Charter. The overall project is required in support of HRM's recreation program delivery and HRM's long term asset and overall portfolio management.

Renovation Solution

Current Building Condition

The Halifax Forum was constructed in 1927 and has had multiple additions and renovations since construction. It is currently a four building complex which houses two ice pads and multipurpose event spaces including a bingo hall. The building complex is two storeys with a reported gross area of approximately 123,000 ft² (11,430 m²). The Halifax Forum Complex is within the Municipal recreation portfolio. The current facilities were assessed by a multidisciplinary team to provide a general overview of the present condition of the building components and to provide an opinion of costs to renovate the Complex such that it meets the HRM Project Charter.

The Charter generally defines that the Complex is to be brought up to today's codes, provide an additional ice sheet, have at least two of the ice sheets be brought up to NHL size and maintain the Heritage designation associated with the Forum. The current condition of the complex is generally poor to fair condition with many of the complex elements at or beyond their expected useful life.

In addition, the current complex does not meet many aspects of today's building codes. The roof structures throughout the four buildings do not meet snow, lateral or seismic requirements. There are serious life safety code issues with the Forum. These are not limited to distance of egress, number of egress points lack of full sprinkler coverage, a combustible roof, distances below minimum clearances surrounding the patron seating and the density of seats versus egress pathways. In addition, the slopes associated with the lower concourse exceed allowed slopes for egress.

To have the complex full accessible, which is considered a minimum standard for Municipal infrastructure by today's standards will require significant alteration. Changes in slopes, seating locations and the addition of an elevator are anticipated.

Renovation

To achieve the Charter's objectives CMEL working with HRM staff produced a set of Functional Program Requirements (Program) and categorized each item as either mandatory, preferred and wish list. Working from this list CMEL developed a proposed renovation solution which allowed CMEL to estimate the costs associated with the solution.

The renovation solution is understood to be comprised of several components including demolition, new construction and renovation and repair or recapitalization of end of life components to meet the space requirements of the Program.

In summary the existing Forum Complex if renovated, includes expanding the ice surface of both the Forum and the Civic Centre to NHL size. The Bingo Hall is maintained. The MPC is demolished and an additional ice pad is added along with additional floor space as required to meet the Program requirements. Compliance to current codes is considered mandatory facility wide, which includes revision to the seating of the Forum. It is our opinion that the deterioration of the Forum masonry is beyond repair and that a "replica" of the original Forum is built preserving the architectural attributes associated with its Heritage designation.

The interior renovations anticipated with the forum include extensive renovations to the concourse and the addition of egress points as well as reduction in seating to achieve the correct ratio of egress pathways to seats. Additional points of egress are anticipated to be required.

The Civic arena requires less renovations however structural reinforcing of the roof is anticipated along with extending the building northward to accommodate the new size of ice pad. The addition of a third pad has been considered equivalent to a new building, once the demolition of the MPC has been completed and the debris removed. The Bingo Hall remains mostly unchanged.

The ice plant that is currently serving the two ice sheets is at the end of its life, and a new plant suitable for servicing all three sheets has been included. General upgrades to the site have been considered including pedestrian and vehicle circulation, optimized parking and separation of pedestrians and vehicles at the entrances.

Estimate

The anticipated costs have generally been broken down into three categories:

- Demolition costs
- Renovation costs
- New construction costs

	Demolition Costs	Repairs and Renovation	New Construction	Total Cost
Renovation Solution	\$3,980,218	\$39,740,198	\$16,714,662	\$60,435,078

Conclusion

The Forum Complex proposed renovation and addition of a third ice pad is anticipated to come at a significant premium in comparison to a new build. To maintain the Heritage status of the Forum, increase the pad sizes to NHL size and add a third ice pad on the Forum site will come at an expense beyond building new. A decision will have to be made as to whether the premium associated with renovating the Forum site is deemed reasonable to proceed.

Overall Condition and Limitations

The analyses and development of the proposed renovation solution is based on the communicated requirements as defined by the Halifax Regional Municipality. CMEL has not developed a detailed space adequacy analysis or developed a preliminary design. Building design is beyond the scope of this report.

Estimates are anticipated to be developed to a class D at best and are anticipated to be suitable for comparative use and for budgetary discussions and decision making.

The statements made in the Executive Summary are subject to the same limitations included in the Closure section, and are to be read in conjunction with the remainder of this report.



March 26, 2018

Ms. Denise Schofield
Manager, Regional Recreation & Culture
Community and Recreation Services
Chief Operating Officer
Halifax Regional Municipality
PO Box 1749
Halifax, NS B3J 3A5

Dear Ms. Schofield:

RE: Proposed Twin Pad Arena - Collaboration Proposal to HRM from Dalhousie University

As you know the Province of Nova Scotia has announced support for Dalhousie to develop land for an arena facility. We believe this presents an opportunity to share in the attributes that such a facility can provide to both the University and greater Halifax area community.

Dalhousie University is providing the attached overview of a collaboration project and is seeking the interest that HRM may have towards such an endeavor. We look forward to your early response on this opportunity.

Sincerely,



Ian Nason
Vice-President
Finance and Administration

Enclosure

c. Jacques Dubé, Chief Operating Officer, Halifax Regional Municipality

PROPOSED ARENA FACILITY COLLABORATION OPPORTUNITY WITH HALIFAX REGIONAL MUNICIPALITY AND DALHOUSIE UNIVERSITY

Dalhousie University is hereby submitting an expression of interest to Halifax Regional Municipality to partner in the development of a twin-pad arena facility capable of meeting the needs and expectations of each partner and the constituents they serve. This collaborative opportunity will result in key benefits to each project participant that would not all be available outside of the collaboration. These include:

- cost effective replacement of recreational assets by the parties;
- utilization of the synergies that exist between the different ice time needs of the parties to optimize use of available operating hours; and
- providing an arena in a location that provides easy access to Dalhousie University and the HRM community.

BACKGROUND

Dalhousie requires a new arena facility to accommodate university programming. Dalhousie currently rents ice time at the Halifax Forum. The Halifax Forum presents programming challenges for Dalhousie due to the physical separation from the campus. In particular this has a negative impact on recreational activities for students on/or near campus.

CONCEPTUAL TWIN-PAD ARENA DESIGN

Site: The proposed site location for the twin-pad arena is at 5490 South Street, Halifax. These lands are currently owned by the Province of Nova Scotia. The Province has announced that Dalhousie will have access to this property for development of an arena facility.

Conceptual Design: Preliminary conceptual plans illustrate that a two-pad arena (situated end-to-end) can be accommodated on the site located at 5490 South Street. The plans illustrate two NHL-sized ice surfaces of 200' x 85' with team dressing rooms and spectator seating above, lobby and service areas, and viewing areas. Parking is currently proposed beneath the arenas with the site topography providing advantages for accessing the parking at grade.

CONCLUSION

The proposed two-pad arena would meet the following objectives for each partner. This project would:

- Consolidate arenas into one shared 2-pad facility, which will reduce operating, maintenance, and utility costs over separate single pads.
- Assist HRM in implementing the Long-Term Strategy on arenas.
- Provide an arena in a location with easy access to the university and the HRM community.
- Demonstrate a successful collaboration among the parties: Dalhousie University, Halifax Regional Municipality, and the Province of Nova Scotia.