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Item No. 11.1.8

Halifax Regional Council
June 29, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
Jerry Blackwood, Acting Chief Administrative Officer

DATE: June 9, 2021

SUBJECT: Submission of Parks and Recreation Projects for Potential Stimulus Funding

ORIGIN

Staff initiated report regarding the potential for increased infrastructure funding through the Federal Government's *Green Inclusive Community Building (GICB) Fund*.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter

79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;

Halifax Regional Municipality Administrative Order Number 58, Respecting the Delegation of Certain Authorities

Delegation - Non Expenditure Agreements with Revenue Component

16. (1) Council hereby delegates the authority to make or approve and enter into revenue agreements, any amendments to revenue agreements and to agree to assignments of agreements, on behalf of the Municipality, as follows:

Total Amount of Money to be Received	Approval Authority	Signing Authority
\$0 - \$50,000	Director	Director
\$0 - \$500,000	DCAO or CAO	DCAO or CAO
\$500,001 and over	Council	Mayor and Clerk

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RECOMMENDATION

It is recommended that Halifax Regional Council direct the Chief Administrative Officer (CAO) to:

1. submit an application to the Green and Inclusive Community Buildings Fund for the following projects, as outlined in this report; and
2. return to Regional Council with proposed capital budget adjustments for any projects which are approved for funding.

BACKGROUND

The Green and Inclusive Community Buildings (GICB) program is a federal program administered by Infrastructure Canada which aims to build more community buildings and improve existing ones – in particular in areas with populations experiencing higher needs – while also making the buildings more energy efficient, lower carbon footprint, more resilient, and higher performing. This five-year \$1.5 billion program will support green and accessible retrofits, repairs or upgrades of existing public community buildings and the construction of new publicly accessible community buildings that serve high-need, underserved communities across Canada. The GICB program is part of the federal government's broader COVID-19 recovery stimulus program, which will see billions invested in infrastructure in key areas in the coming years. By participating in the GICB program, HRM would be partnering in the response to COVID-19 recovery stimulus.

The GICB program supports the first pillar of the federal government's [Strengthened Climate Plan](#) by making it easier for Canadians to improve the places in which they live and gather, including by cutting pollution (e.g. reducing GHG emissions, increasing energy efficiency, building resiliency to climate change and encouraging new builds to net zero standards), making life more affordable and supporting thousands of good jobs.

Infrastructure Canada has invited municipal or regional governments, public sector bodies, not-for-profit organizations, provincial or territorial governments and Indigenous recipients to apply for funding for eligible projects.

There are two GICB intake streams:

Scheduled Intake

Applicants with large retrofit project and new community building projects with total eligible costs ranging from \$3 million to \$25 million will be accepted through a competitive intake process. The deadline for receipt of applications for the scheduled intake stream is **July 6, 2021**.

Continuous Intake

Applicants with small and medium retrofit projects to existing community buildings ranging in total eligible cost from \$100,000 to \$3 million will be accepted on a continuous basis and funded on a rolling intake basis. Projects must show energy efficiencies of at least 25% and the facility must be located in a vulnerable community.

The GICB will fund projects directly, rather than through a bilateral agreement with the province. Unlike the Investing in Canada Infrastructure Program (ICIP), which is also administered by Infrastructure Canada, the GICB will fund projects directly, rather than through bilateral agreements with the province. The federal cost-share under the GICB is as follows:

- 80 per cent of eligible costs for retrofit projects under \$10 million;
- 60 per cent of eligible costs for new construction projects up to \$10 million; and

- 50 per cent of eligible costs for new construction projects over \$10 million.

DISCUSSION

Staff reviewed potential projects based on facility condition, alignment with the criteria of the GICB program and alignment with municipal strategic plans, including the Long Term Aquatic Strategy and the Community Facility Masterplan 2. Regional Council adopted the Community Facility Master Plan (CFMP) in 2004. In 2016 it was updated, became known as CFMP2 and was approved by Regional Council in 2017. The CFMP2 recommendations are intended to provide broad direction for staff to implement the renewal and enhancement of the Municipality's recreation infrastructure through to 2025.

Based on the review, there are two potential projects for scheduled intake and a number for the continuous intake. These facilities require maintenance, improvements or replacement which will need to be funded through the 10-year capital plan. Therefore, any opportunity to offset those costs with funding from the GICB would reduce the necessary funding from the municipal tax base and may enable the projects to be completed sooner than currently planned.

Scheduled Intake

As noted, applications for the scheduled intake must be submitted by July 6, 2021. Based on the criteria for the program, current facility conditions and alignment with strategic plans, there are two applications which are recommended for application. Where an applicant intends on submitting multiple projects for funding consideration, the program requires that the applicant indicate a priority ranking of the projects submitted.

The following projects have been identified (in order of priority) for the new community building stream of the GICB Fund program, through the scheduled intake process.

Needham Recreation Centre

The Needham Recreation Centre (NRC), located in the north end of the Halifax Peninsula at 3372 Devonshire Avenue, was built in 1972 and is 22,843 square feet. The NRC is a recreation facility with a multi-purpose room with kitchen facilities, dance studio, boardroom, five lane small single swimming pool, gymnasium, two bathrooms, male change room, female change room, family/accessible washroom and on-site, not for profit daycare.

The Long Term Aquatic Strategy states that the NRC pool represents the oldest recreational pool in HRM. Its pool, compared to other indoor pools, has the least amount of multifunctionality, accessibility, and fewest recreational features for a wide range of users. This appears to contribute to its low-recreational usage and reduced operating hours, since its catchment has an adequate population base and is experiencing significant residential growth. The CFMP2 along with the Peninsula Recreation Review, approved by Regional Council in 2011, support the need for a new recreation centre in this area.

The NRC is an aging facility that is nearing the end of its useful life and requires capital improvements in order to continue operations. It is slated to be decommissioned (the previous site of the Devonshire Arena has been identified as the future site of the new NRC) and replaced with a new recreation purpose-built facility for the following reasons:

- The facility does not have adequate programming space and the small five lane swimming pool does not meet the needs of the community;
- The facility is not accessible;
- The facility has insufficient heating and cooling systems; and
- Building condition – high level of deferred maintenance.

By utilizing the current universal design criteria for the new build, the facility will be designed for not only the programming requirements, but also for accessibility. A new accessible recreation and aquatic facility will allow for expanded recreation programming, increased program and rental revenue, enhanced aquatic centre, provide more employment and volunteer opportunities for residents in the North End of Halifax and beyond. The new recreation centre/pool will improve reliability, accessibility, energy efficiency and will allow for the delivery of programming that better meets the needs of the community.

The new facility will allow for various aspects of recreation programming to be provided in a more effective and efficient manner. This would include energy efficient building systems, using current technology that would cut utility costs.

With competing priorities in the current and future capital budgets including capital building requirements to several recreation facilities, funding for the NRC project is proposed for future years and is noted in the proposed 10-year budget (2024-25 design with facility completion in 2027-28).

Spryfield Lions Arena

Spryfield Lions Arena is operated by the Spryfield Lions Rink and Recreation Society, a not for profit, volunteer organization incorporated by the Registry of Joint Stocks in 2010. The 34,000 sq. ft facility is composed of an ice pad (1972), a gymnasium (1982), and multipurpose space. The rink is heavily used during the ice season to support ice sports through the HRM Ice Allocation Policy. The ice is removed annually in April and becomes one of the foremost box lacrosse facilities in HRM. The gymnasium is used for ball hockey, supports Sparklettes baton twirling, and women's roller derby. The facility is also used for boxing and wrestling events, community events, and has served most recently as a COVID-19 testing site.

Recent capital upgrades to the facility include; roof structural reinforcement, ice plant repairs, change room renovations, paving, and ice pad brine piping repairs. As part of planned electrical upgrades to address code issues, additional concerns around larger life safety issues have arisen. These included deficiencies around fire separations and structural floor loadings for second story Lion's Den. As a result, HRM has directed the second story Lion's Den be closed for use. Given the age of the facility and the inherent deficiencies (gymnasium configuration, accessibility, and energy use), staff are recommending the facility be replaced as a retrofit is not considered best value.

Upon review of the GICB fund, these two identified new build capital projects meet the criteria to be eligible for consideration under this program. In order to submit the application, Council direction on these projects is required. By recommending that the CAO move forward with an application for new builds for the Needham Recreation Centre and the Spryfield Arena, these projects could be advanced to replace the current buildings with updated facilities, providing accessible buildings to fast-growing areas within the Municipality in a faster timeline than the current proposed capital timeline.

Continuous Intake

Applicants for small and medium retrofit projects to existing community buildings will be accepted on a rolling-basis. Similar to the scheduled intake, projects must be prioritized in the application. Staff have reviewed facilities and potential projects against the criteria of the program, strategic plans and current capital plans. The following projects have been identified as priorities (in order of priority) for the retrofit stream of the GICB Fund program, through the continuous intake process:

1. North Preston Community Centre – energy efficiencies
2. East Preston Community Centre - energy efficiencies
3. Sackville Sports Stadium – energy efficiencies/ universal washrooms
4. Eastern Shore Arena – energy efficiencies, new boiler, new ice slab and elevator
5. Centennial Arena – energy efficiencies, new boiler, new ice slab
6. Wallace Lucas Community Centre – energy efficiencies
7. Upper Hammonds Plains Community Centre - energy efficiencies

As identified in the CFMP2, there is a continuing need to have some stand-alone facilities to meet local community needs. The above facilities have been identified as requiring retrofits to enhance energy efficiency and accessibility in areas within the Municipality currently underserved in those criteria.

For the continuous intake stream, retrofits (up to \$3M) at the Sackville Sports Stadium, North Preston Community Centre, East Preston Community Centre, Centennial Arena, Eastern Shore Arena, Wallace Lucas Community Centre and Upper Hammonds Plains Community Centre projects could be advanced to provide enhanced energy efficiencies and advancements in accessibility.

While there are other facilities that may meet the criteria of the program, the recommended facilities are deemed to best meet the program criteria and provide the best opportunity for HRM's applications to be successful. However, with the continuous intake program allowing ongoing applications, staff will continue to review facilities and potential projects, in case the funding capacity provides opportunity for additional HRM applications.

FINANCIAL IMPLICATIONS

The Needham Recreation Centre, Spryfield Lions Arena, North Preston Community Centre, East Preston Community Centre, Eastern Shore Arena, Centennial Arena, Wallace Lucas Community Centre and the Upper Hammonds Plains Community Centre projects are currently evaluated and prioritized outside the proposed four-year capital plan. Therefore, any amount of additional funding would inform a new timeline and municipal funding requirements for the project, if cost sharing through the GICB program is approved.

Scheduled intake stream – up to \$25,000,000 for 50%

Needham Recreation Centre: \$25.0M – CB000009
Spryfield Lions Arena: \$15.5 M – CB200001

For the scheduled intake stream projects, Needham Recreation Centre and the Spryfield Lions Arena, it is anticipated that the operating costs would not be significantly impacted if HRM received funding under the program, as the costs for utilities, cleaning, maintenance, programming needs, etc. are projected to be comparable to the current operating costs. The facilities would be more energy efficient and have less maintenance costs. Those savings would offset the higher operational costs and recreation programming opportunities made possible by the larger square footage.

Continuous intake stream – up to \$3,000,000 for 80%

Of the projects recommended for the continuous intake stream, Sackville Sports Stadium can be accommodated within the approved 4-year capital plan through account CB000060 – Sackville Sports Stadium. The remaining projects would be funded through the approved 4-year capital plan for account CB190008 – Energy Efficiency Initiatives, if the applications are successful. It is anticipated that these projects would yield varying levels of operational savings.

1. North Preston Community Centre – \$250K – CB190008
2. East Preston Community Centre - \$250K – CB190008
3. Sackville Sports Stadium – \$2.0M (funding was planned to commence in the Capital Budget for fiscal year 22/23) – CB000060
4. Eastern Shore Arena – \$1.4M – CB190008
5. Centennial Arena – \$1.4M – CB190008
6. Wallace Lucas Community Centre – \$250K – CB190008
7. Upper Hammonds Plains Community Centre - \$250K – CB190008

If any or all of the recommended projects are approved by the Government of Canada for funding, staff would return to Audit and Finance with the required changes to the capital budget with options and considerations for funding to support these projects. Staff would address the delivery of these capital projects in terms of project prioritization, scheduling/sequencing, and required resourcing against the other Buildings/Facilities projects in the approved 4-year capital plan. If required, additional project management support could be brought in to balance the advantage of the funding opportunities against staff/financial resources and the ability to deliver the projects.

RISK CONSIDERATION

Associated risks with the recommendation rates low. This has been determined through assessment of financial, operational, and reputational risks. The application to the funding program may result in approved funding to support the new facilities, and the retrofit of facilities which would reduce HRM required funding. However, should the application for funding from *GICB* be approved, HRM would be required to provide the Municipality's portion of the funding sooner than proposed in the 2021-2031 10-year capital plan. This risk is mitigated by requiring confirmation of funding prior to moving the proposed municipal funding to an earlier budget year.

COMMUNITY ENGAGEMENT

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

Should any HRM's applications be successful for funding from the GICB, the work would result in improvements to the applicable facilities. Depending on the facilities, the improvements would have a range of environmental improvements.

ALTERNATIVES

Regional Council could direct the Chief Administrative Officer to not apply for the government funding and adhere to the plan as proposed in the 2021-2031 10-year capital plan.

ATTACHMENTS

None.

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.

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