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Item No. 6
Halifax Regional Council
March 21, 2023

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: March 15, 2023

SUBJECT: Mill Cove Library and West Bedford Area Fire Station

INFORMATION REPORT

ORIGIN

January 18, 2023, the Budget Committee (Standing Committee of the Whole on Budget) (Item 6) motion:

MOVED by Councillor Mancini, seconded by Councillor Blackburn

THAT the Budget Committee recommends that Halifax Regional Council:

1. Approve the Base Capital Budget for 2023/24, and approve in-principle the Schedule of 2024/25, 2025/26, 2026/27 Base Capital Plan set out in Attachment 1 of the staff report dated January 11, 2023;
2. Approve the Strategic Initiatives Capital Budget for 2023/24, and approve in-principle the Schedule of 2024/25, 2025/26, 2026/27 Strategic Initiatives Capital Plan as per Attachment 2 of the staff report dated January 11, 2023;
3. Approve the schedule of 2023/24 Capital Reserves Withdrawals as per Attachment 4 of the staff report dated January 11, 2023;
4. Approve the schedule of 2023/24 Multi-year Capital Projects as per Attachment 5 of the staff report dated January 11, 2023.

MOVED by Councillor Outhit, seconded by Councillor Lovelace

THAT the motion be amended to include a new section that reads as follows:

5. Direct the Chief Administrative Office to prepare a staff report with options, funding sources and strategies for the 2024/25 and 2025/26 Capital Budgets for the Bedford Library within Mill Cove and a Fire Station in the Larry Uteck West Bedford Area.

MOTION TO AMEND PUT AND PASSED

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c. 39 as amended

79 The Council shall adopt an operating budget and a capital budget for each fiscal year.

- 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,
 - (b) the expenditure is in respect of an emergency under the Emergency Management Act; or
 - (c) the expenditure is legally required to be paid.

BACKGROUND

Bedford Library Co-located with the Mill Cove Ferry Terminal

On September 29, 2022, Halifax Transit presented a report to Regional Council that outlined 3 investment scenarios for a Mill Cove Ferry Service. The first was a 'Base Case' which was a 30,000 square foot (SF) facility but included costs only for 15,000 SF of building space to house ferry operations. The second option was a 'Reduced Case' that provided for a reduced size of ferry terminal at 11,000 SF. The third investment scenario was a 'Do Minimum Case' that provided for a further reduced ferry terminal of 4,000 SF.

All three of the above investment scenarios assumed that funding for the Halifax Public Libraries (HPL) portion of the building was not included in the Halifax Transit funding application. The Transit funding would cover most of the common areas that users of both the terminal and library would have access to such as lobby areas and washrooms.

Regional Council passed a motion to submit an application to the Investing in Canada Infrastructure Program (ICIP) for the implementation of the Mill Cove Ferry Service based on the 'Reduced Case' investment scenario. This provided for a reduced terminal building of 11,000 SF and did not include the 14,160 SF of building envelope to house the library, the 2,500 SF of outdoor library or the fit-up costs for the library space.

Fire Station in the Larry Uteck West Bedford Area

The current scope for the *New Bedford West Fire Station and HRFE HQ Campus* project includes the construction of a new headquarters connected to a new four (4) bay fire station. The Headquarters would house HRFE Logistics, Fire Prevention, and HRFE Administration. Tender ready drawings are 95% completed for this project and it is anticipated that this work could be tender ready within three (3) months.

The current planned cost to construct the fire station and HQ is \$40M with a planned start in the spring of 2026.

DISCUSSION

Bedford Library Co-located with the Mill Cove Ferry Terminal

In 2022 Halifax Transit began the conceptual design process for a ferry terminal at Mill Cove. Halifax Public Libraries were engaged to explore the option of integrating a library within the ferry terminal as a partial solution to the shortage of library space in the Bedford area. Due to the growth in other areas of Bedford and some limitations with the Mill Cove site, it was determined that the location was not ideal for a full-sized library branch but was well suited for a medium sized neighborhood branch.

Through the collaborative conceptual design process, a 14,160 SF Library was designed to be located in the public areas of the ferry terminal. It includes public areas shared between the ferry terminal and the library (like washrooms, circulation, public concourse) as well as dedicated library spaces. The preliminary conceptual library elements include indoor and outdoor spaces, an open seating area, a pre-school play area, a performance space, library collections, a community meeting room, small study rooms, washrooms and a staff work area. More detailed conceptual drawings will be completed once funding is secured.

Fire Station in the Larry Uteck West Bedford Area

The first option to consider for advancing the construction of a fire station in West Bedford is to advance the funding of the entire project. The tender documents could include specific language requiring the contractor focuses all efforts on completing the fire station side of the facility in advance of completing the interior fit up of the headquarters portion of the facility. This would require a 2-year construction schedule starting with \$16M in 23/24 and \$24M in 24/25. Construction would likely begin in the fall of 2023 and complete in the spring of 2025. This would be the fastest and least expensive option to advance the fire station to operational readiness in 2025.

A second option to construct the fire station in advance of and independent of the headquarters, would require extensive redesign of the existing plans. This redesign would be an additional cost above the approximately \$1M that has been spent on the current design package. Redesign would be a significant effort, which would require 8-12 months to have a tender package completed for a fire station in West Bedford. The cost to redesign the project to build the two parts of the facility separately is estimated at \$500,000. To build the fire station in advance of the headquarters, the contractor would have to work between the operational HRFE Logistics warehouse and the new fire station. Working within those constraints would result in additional construction costs and an extended construction schedule. The estimated increase in cost to construct the two parts of the facility separately is estimated at approximately \$10M - \$12M.

If the decision is made to build a fire station first, consideration could also be given to building an HQ separate from the fire station which would reduce the cost. However, HRFE specified a requirement for combined facility to achieve operational synergies. Separate buildings would also result in a redundancy of specific areas and equipment that are shared in the current design for a single facility. A few examples of shared spaces that would be required in both facilities are: gym space, locker rooms, showers, electrical room, IT room, and mechanical systems. These redundancies would reduce the amount of cost savings from constructing independent facilities.

Fire apparatus manufacturers have identified 24-26 month delivery times from the time of order. Therefore, to have the required fire apparatus delivered and in service for the opening of the new station in the spring of 2025, it would have to be tendered and awarded in the 2023/24 fiscal year.

Halifax Regional Fire & Emergency have identified that they require one (1) 750gal fire engine for this station. This would be an expansion to the existing HRFE fleet compliment. Current pricing for a 750gal engine is estimated at \$1.125M. HRM has identified \$1.025M in the 2026/27 Capital Fire Expansion account CV220015; this would be required to be adjusted to the revised amount and moved to the 2023/24 Capital account CV220015 – Fire Expansion.

Corporate Fleet anticipate a requirement for OCC funding of \$160,138 to be applied in the 2025/26 Operating Budget R981. The cost breakdown is as follows:

- Annual Fuel Cost for one (1) Fire Engine - \$9,700

- Average annual maintenance cost during unit lifecycle for one (1) Fire Engine - \$23,300
- Addition of one (1) Emergency Vehicle Technician (EVT) - \$127,138
 - The additional EVT is required due to the heavy specialized fire fleet has grown by 20 units since 2010 with no growth to the fleet technician compliment.

FINANCIAL IMPLICATIONS

Bedford Library Co-located with the Mill Cove Ferry Terminal

Incorporating library space within the proposed Mill Cove Ferry Terminal would require an increase of \$14M to the 2023/24 four-year capital plan, plus an additional 12 FTE's and \$723,000 in annual staffing and operating costs when the library opens for service, estimated for 2027. The existing \$15.5M capital budget, included in the 2026/27 – 2028/29 fiscal years of the capital plan for a Bedford Library Replacement project, is still required to service the rapid growth in West Bedford regardless of the addition of library space in the proposed Mill Cove Ferry Terminal.

Although space for a new library service is incorporated in the building design, the Mill Cove Ferry Service project \$260M budget does not cover the construction cost of the library's square footage. The Investing in Canadian Infrastructure Funding Program (ICIP) application does not include that portion of the building's design for cost share funding and therefore the entire building construction and fit-up cost for the library will need to be funded by HRM, either through annual tax increases from capital-from-operating or debt financing.

The approval to add capital budget to incorporate space for new library service within the Mill Cove Ferry Terminal, project advancement would be conditional on HRM securing land acquisition and approval of the ICIP funding application within current budget limits. The impact of these budget increases is described in the following tables:

Funding Source	Change to Capital Plan	2023/24	2024/25	2025/26	2026/27	2027/28-2032/33	Total Impact
Capital-from-Operating (Annual Tax)	\$ (in Thousands)	\$ 500	\$ 7,000	\$ 6,500	\$ -	\$ -	\$ 14,000
	% to Average Tax Bill	0.08%	1.17%	1.08%	0.00%	0.00%	2.33%
Debt	\$ (in Thousands)	\$ -	\$ -	\$ 280	\$ 1,932	\$ 14,868	\$ 17,080
	% to Average Tax Bill	0.00%	0.00%	0.05%	0.32%	2.48%	2.85%

Operating Budget Impacts	2023/24	2024/25	2025/26	2026/27
New Library Staff & Programs	\$ -	\$ -	\$ 723.00	\$ 723.00
Total \$ (in Thousands)	-	-	723.00	723.00
% to Average Tax Bill	0.00%	0.00%	0.12%	0.12%

New Bedford West Fire Station and HRFE Headquarters Campus

Escalating the New Bedford West Fire Station and HRFE Headquarters Campus project by three fiscal years, increases the four-year capital plan by \$25.125M for building construction and expansion to the fire apparatus fleet plus an additional annual operating budget increase of \$564,000. Currently, both capital projects are funded by a mix of annual taxes and debt. The proposed escalation of the project schedule and increases to the four-year capital plan could be funded by an increase in annual taxes or by an increase in debt, since the increases can be accommodated within the current approved debt capacity. The impact of these options is listed in the tables below:

Funding Source	Change to Capital Plan	2023/24	2024/25	2025/26	2026/27	2027/28-2032/33	Total Impact
Capital-from-Operating (Annual Tax)	\$ (in Thousands)	\$ 16,000	\$ 24,000	\$ -	\$ -	\$ -	\$ 40,000
	% to Average Tax Bill	2.67%	4.00%	0.00%	0.00%	0.00%	6.67%
Debt	\$ (in Thousands)	\$ -	\$ -	\$ 740	\$ 5,106	\$ 39,294	\$ 45,140
	% to Average Tax Bill	0.00%	0.00%	0.12%	0.85%	6.55%	7.52%

Capital-from-Operating (Annual Tax)	\$ (in Thousands)	\$ -	\$ -	\$ 1,125	\$ -	\$ -	\$ 1,125
	% to Average Tax Bill	0.00%	0.00%	0.19%	0.00%	0.00%	0.19%
Debt	\$ (in Thousands)	\$ -	\$ -	\$ -	\$ 23	\$ 1,350	\$ 1,373
	% to Average Tax Bill	0.00%	0.00%	0.00%	0.00%	0.23%	0.23%

Existing HRFE staff and associated operating service costs from Stations 8 and 9 will be transferred to the new campus. The tax implications of required increases to the operating budget identified by staff to support the new facility within the next four fiscal years is estimated as follows:

Operating Budget Impacts	2023/24	2024/25	2025/26	2026/27
Lease Terminations (2)	\$ -	\$ -	\$ (111.31)	\$ (111.31)
Fire Apparatus Fuel & Mtce	-	-	33.00	33.00
New Fleet FTE (1 EVT)	-	-	127.14	127.14
Facility Operating Costs	-	-	515.00	515.00
New Fire FTE & Op Costs	-	-	-	-
Total \$ (in Thousands)	-	-	563.83	563.83
% to Average Tax Bill	0.00%	0.00%	0.09%	0.09%

COMMUNITY ENGAGEMENT

N/A

ATTACHMENTS

N/A

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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