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Item No. 1
Energy and Environment Standing Committee
April 2, 2015

TO: Chair, Energy and Environment Standing Committee

SUBMITTED BY: **Original signed**

Jane Fraser, Director Operations Support

DATE: March 2, 2015

SUBJECT: District Energy Opportunity at Cogswell Interchange Lands

INFORMATION REPORT

ORIGIN

February 5, 2015, item 12.1. Motion passed that ESSC direct staff to prepare an information report outlining the process they are taking to ensure that opportunity for District Energy is explored as part of the Cogswell Interchange Land Redevelopment Plan.

LEGISLATIVE AUTHORITY

Halifax Charter

88 (1) The Council may expend money required by the Municipality for lands and buildings required for a municipal purpose;

70 (1) The Municipality may (a) beautify, improve and maintain property owned or leased by the Municipality; (b) pay grants to a body corporate for the purpose of promoting or beautifying a business district and for airport, wharf or waterfront development; (c) identify and promote a business district as a place for retail and commercial activity; (d) establish or maintain parking facilities.

BACKGROUND

In 2013, Halifax Regional Council approved moving forward with the redevelopment of the Cogswell Lands. This decision was based on the technical assessment that had been carried out. The technical assessment looked at the feasibility of removing the Cogswell Interchange and redeveloping the lands from both a technical and economic lens. One of the components of the technical assessment was the use of district energy for the site.

The Halifax Regional Municipality is seeking a contract with a Project Director whose role is to establish a Project Office to oversee the Cogswell Redevelopment Project covering such tasks as: risk assessment, procurement advice, moving the project from concept to design and through to construction, responsible for quality assurance on the job, workplace safety, decision making and providing guidance to the contractor(s) and the best method to release the lands to the development market.

The Project Management Office, under the direction of the Project Director, will be responsible for the coordination of all aspects of the Cogswell Lands Redevelopment. In addition to the engineering and procurement aspects of the project, there will be significant communication requirements with various external stakeholders, decision makers, the Steering Committee, Working Committee and staff. Critical aspects of the project management service include: risk assessments, holding the contractor to the construction schedule, scheduling of various components that are on the critical path for the Project's success; ensuring land negotiations for land assembly/land agreements with various land holders are concluded, urban planning requirements are initiated on time, and coordination with other construction projects that are underway in the downtown area such as the Angus L MacDonald bridge re-decking project, and on abutting properties (Casino and Delta Barrington Hotel as examples). It is not anticipated that the successful project manager will be an expert in all of these areas, rather they need to be able to coordinate all of these aspects of the project with the appropriate professionals. In addition to experience in managing brownfield redevelopments the project description specifically asks for experience in district energy.

The Redevelopment (demolition and reconstruction) of the Cogswell Lands is estimated to be a 4 year project. It is anticipated this employment contract will be for a period of 5 years. The development of the lands, including land use by – law (LUB) planning and real estate marketing will occur over an additional 4 to 5 years.

DISCUSSION

At Environment and Sustainability Standing Committee staff were asked to advise on the process that is in place to ensure that opportunity for District Energy is explored as part of the Cogswell Interchange Land Redevelopment Plan.

Staff has met with a number of major property stakeholders neighboring the project area to discuss and receive feedback on the proposed project. These meetings were helpful in understanding the shared concerns about construction and impact on business as well as future plans and capital investments each property owner has on the horizon. This information and continued discussion with neighboring property owners will be required for successful project delivery and to identify synergies and or economies of scale for potential investments, including district energy.

Meetings have also been held with Halifax Water specific to their interest and role in district energy. Halifax Water currently produces surplus energy at the Halifax Sewage Treatment Facility on Barrington Street that could be harnessed in a future model. Halifax Water has expressed an interest in participating in a District Energy project and is open to continuing discussions on the project.

It should be noted that HRM has not yet determined a preferred delivery model for the Project, and the Project Director will provide leadership and coordination of a team that will evaluate all delivery options to

provide the optimum value for money to HRM. This includes the assessment of the appropriate project energy solutions, including district energy. Following commencement of their contract, the Project Director will be expected to meet with Halifax Water, Nova Scotia Department of Energy, and potential Energy Project Developers, Property Developers and Owners to assess the options for energy solutions at the Cogswell Lands

FINANCIAL IMPLICATIONS

There are no immediate financial implications from this report. Impacts resulting from implementation of the Cogswell Interchange Land Redevelopment Plan will be brought to Regional Council for consideration and approval at appropriate future dates.

COMMUNITY ENGAGEMENT

Upon project office start up there will be significant communication requirements with various external stakeholders, decision makers, the Steering Committee, Working Committee and staff.

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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