

Halifax Regional Council
April 6, 2004

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer

DATE: April 6, 2004

SUBJECT: Burnside Connector - Update

INFORMATION REPORT

ORIGIN

During the past year, HRM staff have been engaged in discussions with Dexter Construction regarding the development of a highway to connect the Burnside Industrial Park to the bi-centennial highway near the Glendale extension. Feasibility of such a project has not been determined. This connector highway would help alleviate traffic issues on the Magazine Hill, and would provide a new transportation link to downtown core via the bridges. From HRM's perspective, support for the connector highway must be considered in the context of the Regional Plan, and is part of the discussion of the Transportation Authority.

BACKGROUND

On March 25, 2003 HRM staff presented an information report to Council outlining discussions with Dexter Construction regarding the Burnside Connector. During the summer of 2003, staff worked with Dexter Construction to develop a Memorandum of Understanding to govern the continuing discussions, and drafted an RFP to request proposals to conduct a feasibility study and traffic analysis to support the business case for the Connector as a toll road. Due to the status of the Capital Transportation Authority discussions at the time, and HRM's lack of legislative authority regarding major roads, and tolls, it was felt that the Capital Transportation Authority and integrated approach to transportation planning had to be in place prior to HRM aggressively pursuing the development of the Burnside Connector. Due to the fact that the Province is the level of government with responsibility for major roads such as narrow median freeways, and the ability

to levy tolls, it is most appropriate that in the absence of the Capital Transportation Authority or enabling legislative changes, the Provincial government should be the lead in the development of any major roads.

One idea under discussion is a toll-highway. This idea has been given serious consideration because there are alternate routes for those who do not wish to pay tolls, and the volume of traffic projected for the road is estimated to be sufficient to support a business case to finance construction of the road. The primary landowner in the area of the connector is Dexter Construction (Municipal Enterprises Limited) and Dexter representatives have indicated they are supportive of the idea of the highway and are willing to participate in development and discussions between the Province and/or HRM. The current Provincial administration does not support Provincial ownership of toll-highways, however the Province has informally indicated they would support private ownership or HRM ownership and operation of a toll-highway. The connector highway clearly falls within the Provincial mandate, and may or may not be a high priority for HRM in the context of resolving traffic issues. The Province and Dexter Construction have provided information to HRM including road construction specs for a Narrow Median Freeway estimated cost \$25 m (Dept. Of Transportation & Public Works), a preliminary business case based on tolls of \$0.50 per trip and estimated traffic of 35,000 cars per day. Recent media reports indicate a toll of \$0.25 is now being considered.

DISCUSSION

On March 16, 2004 Dexter Construction sent a letter to the Chair of the Bridge Commission requesting that the Bridge Commission cost share on a study to look at the feasibility of a tolling mechanism to facilitate development of the Burnside Connector (Attachment A). On Friday March 26th the Bridge Commission approved cost sharing of the study.

On March 25, 2004 the Mayor of Halifax Regional Municipality sent a letter to Honourable Peter Christie, Minister of Finance, outlining HRM's draft position regarding the Burnside Connector. (Attachment B)

HRM staff will request to actively participate in discussions regarding the Burnside Connector as it has significant potential impact to us in terms of Regional Planning, and to the future Capital Transportation Authority. Additionally, the Burnside Connector could serve as the main natural gas service corridor to Lower Sackville and Bedford. A brief list of some potential pros and cons of the Burnside Connector from the perspective the Regional Plan is attached. (Attachment C)

BUDGET IMPLICATIONS

None at this time.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ATTACHMENTS

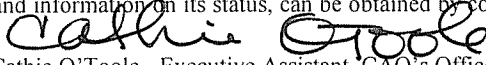
Attachment A - Dexter Construction letter to the Halifax Dartmouth Bridge Commission

Attachment B - Letter from Mayor Peter Kelly to Honourable Peter Christie, Minister of Finance

Attachment C - Burnside Connector - Pros and Cons from HRM's perspective

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by:


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Dexter Construction Company Limited

General Contractors

March 16, 2004

Halifax Regional Municipality
MAR 18 2004
Chief Administrative Office

VIA COURIER

Mr. Bruce S. Smith
Chairman, Board of Commissioners
Halifax – Dartmouth Bridge Commission
PO Box 40
Dartmouth, NS B2Y 3Y2

Copies to Rick
Murray
Reacher
V
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03/18

Dear Bruce:

As you know the Province of Nova Scotia has had a new highway known to the Province as the 107 Extension on the drawing board for many years. It is felt that this Connector would substantially improve the ingress and egress for Burnside as well as downtown Halifax via the A. Murray MacKay Bridge. Unfortunately, while desirable from a transportation perspective, it has not yet come to fruition for a variety of reasons, not the least of which are the costs of construction and impact on private landholdings – principally our company.

An idea that has been presented to overcome these obstacles and bring the project to reality is the use of tolls. Preliminary traffic projections from the Department of Transportation and Public Works suggest that a toll as little as 25 cents per trip may be sufficient to pay the cost of construction and compensation to landowners. Under any realistic scenario such a system could only be implemented and managed by the Halifax – Dartmouth Bridge Commission (HDBC) as an integral part of the “MacPass” system. While our company would obviously like to build the connector HDBC would have to be contracted with for the Provision of an Electronic Toll Collection System (ETCS).

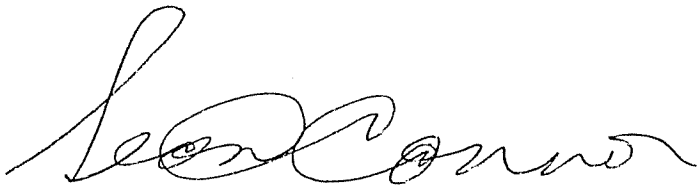
Notwithstanding the significant impact such a connector road would have on our business we would rather be a part of a reasonable solution than a problem. As such, we are prepared to cost share a study to determine the feasibility of a tolling mechanism to

Mr. Bruce Smith
Halifax – Dartmouth Bridge Commission
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facilitate the development of this project. Given the potential impact on bridge traffic and the necessary use of ETCS we propose cost sharing such a study with the Halifax – Dartmouth Bridge Commission.

I look forward to your consideration of this proposal. Please feel free to call me if you wish to discuss this matter further.

Yours truly,

A handwritten signature in black ink, appearing to read "Sean O'Connor". The signature is fluid and cursive, with a large initial "S" and "O".

C. Sean O'Connor
Vice President Business Development

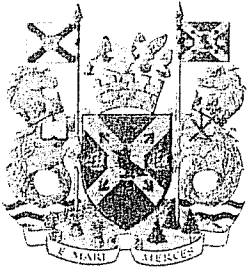
CSO/sc

cc: George McLellan
CAO, City of Halifax

Honorable Peter Christie
Minister Responsible for the Halifax-Dartmouth Bridge Commission

Hugh Smith
Senior Vice President, Municipal Group of Companies

Halifax
Regional
Municipality



Peter J. Kelly

Mayor

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(B) 703

March 25, 2004

Honourable Peter Christie
Minister of Finance
Province of Nova Scotia
7th Floor, Provincial Building
1723 Hollis Street
Halifax, NS B3J 2N3

Dear Minister Christie:

Further to our meeting of March 22, 2004, the following is HRM's draft position concerning the Burnside Connector:

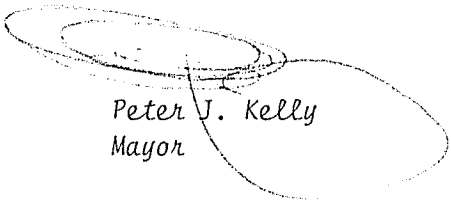
- ▶ Arterial/collector/connector roads remain a provincial responsibility.
- ▶ Direct discussions on the assets and responsibilities under the proposed Transportation Authority concept, are still ongoing.
- ▶ The proposed feasibility study, we understand, is a matter of direct discussion between the Bridge Commission and Municipal/Dexter.
- ▶ Potential for direct connection from the 102 to the Burnside Industrial Park, as would be enabled by the Burnside Connector, would be a favourable development. Consequently, HRM is considering the potential for this infrastructure asset in conjunction with the possible transfer of road responsibilities and assets with the Province, in the Transportation Authority discussions.
- ▶ There are municipal interests that must be considered at some point if discussions and creation of the road do not directly involve HRM. These would include the possible requests for access through HRM lands between Dexter property and the Burnside Park, and associated terms; and second, whether the private road constructed by Dexter across its lands are intended to facilitate adjacent development and subsequent services that would affect the ongoing infrastructure needs of HRM and its residents.

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Minister Christie
March 25/04

- ▶ Without direct responsibility for transportation assets of this nature, it is our expectation that the province would act responsibly in acquitting its mandate for the provincial road system that facilitates transportation in general, as well as economic development.
- ▶ Consequently, and keeping in mind the potential at some point for the municipal interest referenced above to arise, we have no direct interest at this time in the development of a proposal that would represent these characteristics.

In summary, the goals of enhanced transportation, particularly that would facilitate the economic development of HRM, and the enhancement of our Business Park, remain uppermost in HRM's objectives. The implications of such a development should be well thought out and responsibly implemented by the accountable authority, which, at this point, we see as the Province of Nova Scotia. Any devolution of this responsibility to a privatized entity and any terms under which this road would be financed, we would see as the responsibility of the Province of Nova Scotia.

Respectfully, I remain



Peter J. Kelly
Mayor

/km
c: George McLellan, CAO

CONNECTOR - PROS	CONNECTOR - CONS
The project is not a new concept, has been discussed in the past, and has been through the full Provincial environmental impact process, including public consultation.	Development of Anderson Lake, Jack's Lake, and Sackville/Beaverbank greenfield sites might not be the recommendation of the regional plan. Other greenfield sites could become lower priority.
Would alleviate traffic on the Magazine Hill and 102 to Burnside, central Dartmouth, and the Halifax peninsula from Bedford West, Sackville and Windsor.	Use of the Urban Transportation Showcase BRT corridor on the Magazine Hill could be impacted.
New transportation link to downtown core via the Bridges.	Downtown Halifax could lose additional office space to Burnside. May be offset by the potential benefit of future growth of Burnside and Dartmouth.
Would open up future development opportunities on the non-quarry side of the Connector.	Traffic patterns, transportation choices, and parking demands would all change. This may be either a Pro or Con and will be evaluated.
Would provide an easy route to run natural gas line and fibre optic cable to Bedford/Sackville, then around the basin.	Increased traffic on Burnside Drive and the MacKay bridge.
Water system back up. Would provide a route to connect the Pockwock and Lake Major water systems.	Risk that political pressure could force removal of tolls and force HRM and/or the Province to bear additional costs.
Would stimulate future growth of Burnside and Dartmouth area and positively impact the economy.	Removal of tolls or inadequate tolls would encourage more driving per capita.
If HRM were owner of the road, or the Capital Transportation Authority takes over the Bridge Commission, this would provide a residual revenue stream that could be used to fund other transportation initiatives and partially diversify HRM's reliance on tax revenues.	Private sector involvement and public perception of the Province or HRM being driven by private sector financial interests.
Dartmouth North/Anderson Lake greenfield sites would shift to a higher priority and could be opened up for development. Sackville/Beaverbank and Jack's Lake greenfield sites would also shift to a higher priority.	Public perception of HRM or the Capital Transportation Authority being led to adopt a highway-oriented long term vision.
There is no urban infrastructure in the path of the Connector, and there is one primary landowner. The timing is right to build versus in future years where expropriations might be necessary. This would add additional costs.	Lost potential to develop additional quarry resources. There will be less quarry resources in the Metro area.