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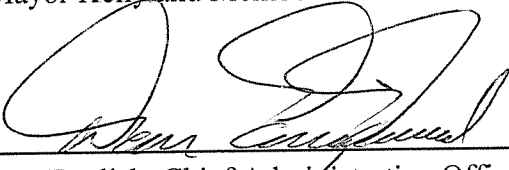


PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
March 27, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: March 15, 2007

SUBJECT: Addition of Funds - Downtown Halifax Shuttle Service

ORIGIN

Staff.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve a reduction in Capital Account CVD00435 Conventional Transit Bus Replacement in the amount of \$700,000 to be transferred to Crespool; and
2. Approve the creation of CMU00974 Downtown Shuttle in the amount of \$1,300,000 to be funded as per the Budget Implications' section of this report.

BACKGROUND

The Capital Account for Downtown Halifax Shuttle Service was to be created upon approval in principle of the 2008/09 Capital Plan with the intention of seeking funding in the 2008-2009 Capital Budget to initiate a Downtown Halifax shuttle transit service. This account has no funds, and there was no intention to seek funding in the 2007-2008 budget.

However, HRM staff has negotiated an agreement with Conserve Nova Scotia to expedite the acquisition of two of the hybrid diesel-electric buses intended to be used in this service. HRM Regional Council is being asked to create the account for the shuttle service prior to the end of the 2006-2007 budget year to take advantage of these funds being offered by Conserve Nova Scotia within their 2006-2007 budget year.

Approval of this recommendation by Regional Council facilitates only the creation of the account and the acceptance of funds from Conserve Nova Scotia. Regional Council will be asked to commit funds toward the acquisition of buses at a later date through normal procurement practice.

DISCUSSION

The idea of a downtown shuttle service, a service connecting key downtown destinations using hybrid diesel-electric buses, was based on achieving the following objectives:

1. Enhance existing and planned services such as conventional ferries, high speed ferries, MetroLink, and rural express transit which terminate at the Halifax Ferry Terminal or Scotia Square by widening the area of destinations served.
2. Reduce the impact of diesel bus noise and exhaust on downtown streets.
3. Provide improved connectivity within the Halifax downtown
4. Create a service that could replace "FRED", the Free Rides Everywhere Downtown service supported by downtown Halifax businesses.

Although exact routing is yet to be finalized, the shuttle buses are intended to serve the Halifax Ferry Terminal, Scotia Square, the QEII and IWK Hospitals, SMU, Dalhousie, NSCAD, the cruise ship terminal and the downtown shopping districts.

The service, as planned, requires six vehicles. It is still intended that funding will be sought in the 2008-2009 budget for the remaining four buses and that the downtown service will begin once all six diesel-electric buses have been delivered. Until that time, the first two hybrid buses will be circulated throughout the Metro Transit network to heighten the profile of these vehicles.

The agreement reached with Conserve Nova Scotia to share the capital cost of the buses is appended to this report. The agreement outlines a proposed branding program which allows Conserve Nova Scotia to dominate the exterior messaging on the vehicle during the initial demonstration period, but

reduces that to 'token' messaging once vehicles are put into service on the downtown shuttle route(s) and Metro Transit branding is applied.

BUDGET IMPLICATIONS

There are no anticipated impacts to transit service as a result of this recommendation. The money being transferred from the Conventional Transit Bus Expansion is the approximate cost of two normal diesel buses. Those buses will still be available to the current network as "loaners" from the downtown shuttle service. Once the downtown shuttle service begins operation, two standard diesel buses will be acquired to replenish the two buses on loan.

Budget Summary: CVD00435, Conventional Transit Bus Replacement

Cumulative Unspent Balance	\$5,383,737
Less: Close to Crespool	<u>\$ 700,000</u>
Balance	\$4,683,737

CMU00974, Downtown Shuttle

Cumulative Unspent Balance	\$ 0
Plus: Withdrawal from Crespool	\$ 700,000
Plus: Cost sharing Conserve NS	<u>\$ 600,000</u>
Balance	\$1,300,000

There will be no incremental operating costs related to the inclusion of the hybrid diesel-electric buses in the Transit Fleet. These buses will operate as replacement buses until such time as the Downtown Shuttle program is implemented. At that time, appropriate operating costs related to the Downtown Shuttle program will be addressed.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. Approving this report will increase the 06/07 Gross Capital Budget.

ALTERNATIVES

Regional Council may choose to forego the Conserve Nova Scotia offer and wait until the 2008-2009 budget year to begin implementation of this service as planned. Although this would have no effect on the delivery date of the downtown shuttle service, it is not recommended, as the opportunity to

**Addition of Funds - Downtown
Halifax Shuttle Service
Council Report**

March 27, 2007

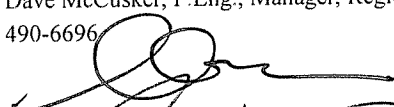
reduce the project cost would be lost, as would the opportunity to showcase the hybrid buses a year before they would otherwise be on the road.

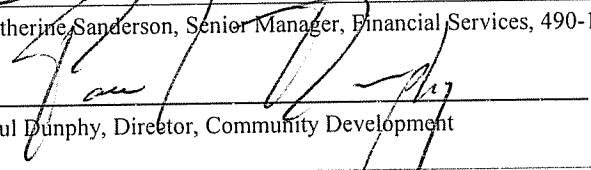
ATTACHMENT

Attachment 1: Confirmation of funding, Conserve Nova Scotia

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Dave McCusker, P.Eng., Manager, Regional Transportation Planning
490-6696

Financial Approval by: 
Catherine Sanderson, Senior Manager, Financial Services, 490-1562

Report Approved by: 
Paul Dunphy, Director, Community Development



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March 27, 2007

Mayor Peter Kelly
Halifax Regional Municipality
Box 1749
Halifax, N.S.
B3J 3A5

Dear Mayor Kelly:

Re: Proposal from Halifax Regional Municipality to fund a portion of the cost of two hybrid diesel-electric transit buses for use in the Metro Transit system.

I am pleased to inform you that the Province of Nova Scotia has agreed to provide cost-sharing support for HRM's February 2, 2007 proposal to purchase hybrid diesel-electric transit buses. Pending approval from HRM City Council, we will provide \$300,000.00 in funding assistance to each of two hybrid buses for use in peninsular Halifax.

Full details will be contained in a follow-up communication and formal Contribution Agreement. It is understood that HRM will place an order for the first two of six to eight hybrid transit buses before the end of March 2007, and Conserve Nova Scotia will be invoiced for their agreed-upon share of the project capital costs.

Thank you for providing us with this opportunity to share in this sustainable transportation project in your city. I look forward to delivery of the first two buses, and future cooperation in the area of public transit improvements.

Sincerely,

Bill Dooks
Minister

- c. Mr. David McCusker, Transportation Planning Manager, HRM
Ms. Heather Foley Melvin
Ms. Anne Jamieson, HRM CAO's office
Mr. Allan Crandlemire