

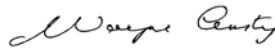
Halifax Regional Council
August 5, 2008
August 12, 2008

TO: Mayor Kelly and Members of Halifax Regional Council



SUBMITTED BY:

Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: July 22, 2008

SUBJECT: **HRM Community Facility Partnership Fund: Proposed Policy and Procedures**

ORIGIN

In response to large-scale capital requests from local non-profit groups, public institutions, and business a one-time budget allocation of \$1,000,000 was approved in the 2008-2009 budget pending Regional Council's approval of criteria and procedures for evaluating proposals. This is referenced in the budget book as "Community Grants - Community Owned Facilities".

RECOMMENDATION

It is recommended that Regional Council:

1. Approve the proposed *HRM Community Facility Partnership Fund* policies and procedures as detailed in Attachment 2 of this report;
2. Authorize a one million dollar grant in fiscal year 2008/09, to the Halifax Port Authority, or its designate for leasehold improvements associated with the Farmer's Market development, from Account # CBX01147 as per the budget implications section of this report and pending a detailed review of the terms and conditions of funding.

BACKGROUND

On an on-going basis HRM receives requests for assistance in the development of major capital projects from third parties. Over the past several years, major capital grants have been requested by Pier 21 Society, NSCAD, Halifax Farmer Market Cooperative, St. Mary's University, Soccer Nova Scotia, and the Lake District Recreation Association. Typically, such requests exceed the financial capacity or program objectives of existing municipal grants programs and some do not fall within HRM's direct service mandate as defined under the Municipal Government Act (1998). However, in general some of these funding requests provide broad community benefit and as such, in some cases, there may be merit in providing some form of municipal assistance¹.

Prior to amalgamation such requests were not funded under any formal program but rather on an individual basis within the context of annual budget deliberations. Large amounts tended to be paid out over a multi-year schedule. In 1996, HRM agreed to honour outstanding commitments made prior to amalgamation; the payment process was administered under the Grants Program portfolio and funds held in Fiscal Services under the descriptor *Capital Pledges Program* (See: **Attachment 1**).

In 2002, requests for capital funding from the Dartmouth General Hospital and the Cobequid Multi-Service Centre, Sackville, were declined. It was determined that the provision of medical/health facilities was not within HRM's mandate and that capital investment was required in HRM-owned real property and infrastructure (May, 2002). In 2003, the *Capital Pledges Program* was discontinued.

In the 2008-2009 budget Regional Council allocated \$1,000,000 to fund community-based (ie. non-HRM) capital projects. It should be noted that this is a one-time allocation with no stated commitment to future funding and based only on requests received to date. Any decision to extend the program and/or allocate funding for future years is subject to Regional Council's decision on policy and procedures, budget, and competing priorities. However, the draft program policy and procedures are flexible and allow for multi-year funding.

DISCUSSION

The term "community infrastructure" is defined as a system of facilities, programs and social networks that aim to improve people's quality of life (United Way of Greater Toronto, 2004). The services and networks that operate in association with such capital investments are considered key to community capacity building, social relations, growth and regeneration.

Increasingly, people choose where to live and work based on the available lifestyle and leisure amenities perceived to contribute to personal and family quality of life. Building places that appeal to skilled, creative and innovative individuals and groups means investing in social and cultural

¹ To date major capital grants have been requested by Pier 21 Society, NSCAD, Farmers Market Cooperative, St. Mary's University, Soccer Nova Scotia, and the Lake District Recreation Association. Note: this listing does not infer funding eligibility.

facilities. Creativity is not limited to the artistic and cultural sectors, but takes the form of innovation across many sectors. Innovation creates efficiencies in program and service delivery, and facilitates civic engagement and broader participation within and between communities.

By approving the 2008-2009 budget, Council has already demonstrated a commitment to supporting such ventures. However, detailed policy and procedures to guide Council's decision-making with respect to allocating any or all of the identified funds were not developed at the time of adoption.

The following discussion provides an overview of a proposed policy and procedures for a new capital program to support community owned facilities. While funding has only been committed for the 2008-09 budget (referred to in the budget book as Community Grants - Community Owned Facilities), the discussion aims to provide Council with adequate information to determine whether there is value in considering an extension of the capital program over the long term. Specifically, the report addresses the following questions to assist Council with its deliberations:

- 1. What does the program aim to achieve and how?**
- 2. What type of initiatives qualify for consideration and what type do not?**
- 3. How would the program be implemented over the long term?**

Additionally, beyond the three questions, the discussion provides an overview of the results of an evaluation of the 6 known major capital requests, and sound rationale for Council to advance one of these in this business cycle.

1. What does the program aim to achieve, and how?

The program's Aim:

The aim of the proposed fund is to enhance HRM's social and economic sustainability through the development or strengthening of formal partnerships in collaborative, innovative capital initiatives. Specifically, the proposed fund targets investment in social and cultural infrastructure that indirectly supports economic development through the creation of "quality of place" ie. enhances the region's ability to attract and retain new enterprise. The program seeks to encourage projects which maximize the potential to leverage HRM funding and strengthen partnerships with community, business, and government interests and which promote HRM as a strong community partner and enabler. For the purpose of discussion, and in support of staff's recommendations, Policy and Procedures have been drafted and are included as **Attachment 2** of this report.

The guiding principles: The proposed fund is based on six principles

- 1. Support Local Economic Development:** investment in social and cultural infrastructure that make HRM more attractive to citizens, prospective investors, entrepreneurs, and employees thereby enhancing the region's reputation as a vibrant place to live and work.
- 2. Creativity and Innovation:** funded projects foster strategic sectoral development and demonstrate excellence, creativity and innovation.

3. **Strengthening Local Community, Government, and Non-Government Capacity:** a capital project shall demonstrate long-term sustainability and enhance the capacity of both organizations and individuals. The funded project is not simply a real property development; the rationale for municipal financial support is the manner and scope of the facility's impact on social and economic development.
4. **Community Inclusion and Access:** capital projects shall be inclusive of a diverse community of interests and accessible to persons with special needs.
5. **Demonstrated Impact on Regional Development:** public investment shall realize significant and strategic social and economic impacts and/or neighbourhood regeneration and shall leverage municipal funding with that of other sources, including the private sector, to the greatest extent possible.
6. **Environmental Sustainability:** funded projects shall incorporate environmental sustainability in their design, execution and operation and contribute to the overall physical well-being of the community.

The Goals: The proposed fund is based on four primary goals:

1. To facilitate collaborative partnerships that realize measurable outcomes commensurate with HRM's mandate and/or strategic priorities;
2. To foster innovation;
3. To facilitate the development of significant community infrastructure in order to realize tangible social and economic impacts on a broad geographic, demographic, and/or sectoral scale;
4. To foster and promote a legacy that provides long-term public benefit. New community facilities assisted under this program will have significant impact primarily on a regional scale and HRM's contribution helps leverage funding, notably from the private sector.

Implementation: The proposed policy and procedures are intended to:

- Establish a centralized program for funding major community capital projects that meet specified criteria;
- Assist major capital initiatives undertaken by community non-profit groups and public institutions as part of a formal partnership agreement;
- Provide an objective and transparent means for evaluating and prioritizing requests for municipal funding through an inter-disciplinary review team who would assess the

respective merit of applications against formal criteria and relative to council's strategic priorities;

- Use existing governance structures via the HRM Grants Committee as a means to provide oversight.

2. What type of initiatives qualify for funding, and what do not?

Eligible organizations are those whose primary mandate aligns with the municipality's strategic objectives and a signatory in a formal partnership agreement. Specifically, the proposed policy outlines three major categories of community facilities that would qualify for consideration:

Cultural Facilities

Cultural facilities that increase capacity in terms of accessibility, participation, and sector-specific productivity. This sector links to HRM's strategic goals in cultural development, events hosting, economic development, and immigration². These include arts facilities, community facilities that foster the retention and social integration of migrants and immigrants in HRM, event facilities, and public collections facilities.

Sport & Recreation Facilities

Sport, recreation and leisure facilities that increase capacity in terms of accessibility, participation, and environmental stewardship. This sector links to HRM's strategic goals in events hosting, active lifestyles, transportation, and eco-tourism³. Such facilities may general include facilities designed for competitive sport, and recreation and leisure.

Entrepreneurial Enterprise

Capital projects that develop new economic enterprises associated with cultural, educational, and technological institutions. For example, entrepreneurial and small business initiatives in agriculture, natural resources, environmental sustainability, or transportation⁴.

3. How would the program be implemented over the long term?

While the 2008-09 budget allocation is a one-time commitment, the draft policies and procedures are designed such that the program could be a recurring program. Further, the value of the fund is not fixed at \$1,000,000. If the program were to continue in successive years the value of the fund could vary based on the merit of applications and recommended awards. Further, the fund could be

² HRM Cultural Plan (2006), HRM Economic Strategy (2005), HRM Immigration Strategy (2005).

³ HRM Indoor Facilities Master Plan (2004).

⁴ In accordance with Section 57 (1) of the Municipal Government Act (1998) the municipality may provide grants for the purpose of promoting the region as a location for institutions, industries and business.

expended on an annual, bi-annual or quadrennial basis and a designated reserve developed to build capacity.

Program Launch and Timelines:

Given the number and size of requests received to date, staff suggest that *for this year only* HRM forgo the standard practice of issuing an open call for applications. Therefore, the following is a suggested timeframe:

- 2008:** Regional Council decision required re: one-time only or a recurring program.*
Regional Council decision required re: distribution of 2008/09 funds.

* If Regional Council chooses not to accept the staff recommendation for 2008/09, then there would be no open call for applications, and the evaluation of requests to date will be forwarded to the Grants Committee, and pending Grants Committee approval a recommendation would be forwarded to Regional Council.

If there is any un-committed balance for 2008/09 at year end, it could be either (a) placed in a designated reserve, or (b) closed out to year end surplus/deficit.

- 2009** If Regional Council elects to repeat the program a Call for Proposals would be issued in the Fall of 2008 with an application deadline of June 30th, 2009. Any such announcement would stipulate that funding would be contingent upon Regional Council's approval of a budget allocation to the fund.

Applications will be evaluated and recommendations submitted through the regular business planning and budget process for the 2009-10 budget. The value of the request shall not exceed \$1,000,000 but less could be awarded depending on the number and calibre of eligible applicants.

If the program is to be repeated annually another Call for Proposals would be issued in the fall of 2009 with an application deadline of June 30th, 2010 for the 2010-2011 budget.

- 2010** If budget approved, grants issued to successful applicants ie. those who applied in the Fall of 2009.

Evaluation of Capital Projects Requests

A set of proposed evaluation criteria were developed and applied in considering the prospective community facility endeavours. Each of the six funding requests currently on hand were reviewed and evaluated using the criteria by a multi-disciplinary team of HRM staff representing finance, infrastructure, community relations, cultural affairs and economic development. The criteria are broadly categorized into the following:

- Economic and Social Impact

- Alignment with Municipal Strategy
- Project Readiness
- Partnerships
- Environmental Impact
- Innovation and creativity
- Financial Sustainability
- Impact on Municipal Finances
- Financial Management
- Financial Diversification

Based on these criteria, it is staff's opinion that the Farmer's Market society proposal best satisfies the program aim, principles and goals.

The total expected budget for this venture is \$9.75 million. Therefore, staff is recommending a one million dollar grant to the Halifax Port Authority (the owner of the project) for the Farmer's Market society. HRM's contribution will be roughly 10% of the total costs. It is important to note that while it is recommended that the full value of the fund be awarded, this is conditional upon acceptance of detailed terms and conditions of funding between HRM and the Halifax Port Authority.

The Farmer's Market society's proposal is preferred for the reason cited below. Specifically, these points are provided to demonstrate and inform Council how the proposal satisfies the policy aim, principles and goals:

- the use of wind turbines, solar panels and ocean's breezes to heat the building shows tremendous environmental leadership and innovation
- the planned green roof with agriculture to reduce heating and cooling and water conservation, high-efficiency lighting, high-efficiency insulation and passive solar design will contribute to an overall reduction of energy consumption by approximately 85 per cent
- the Market will be one of the most environmentally friendly buildings in North America.
- the proposed endeavour supports hundreds of businesses as far reaching as communities at either end of HRM.
- the new market, once open, will add hundreds of new jobs.
- it is expected that the Market will contribute greatly towards the development of the Seawall district into an important and vibrant tourism and cultural destination.
- the project acknowledges and celebrates a culturally significant way-of-life
- the project provides new opportunities for newcomers to HRM and will be home to 24 first-generation immigrant businesses.
- the market will provide a venue for local artisans and craftspeople to market and sell their crafts.
- Once complete the project will house North America's oldest continuously running farmers market.

In terms of partnerships, the Nova Scotia government has confirmed a financial commitment of

\$2.25 million. We understand that ACOA has also indicated a strong willingness to support the initiative if HRM agrees to do the same. Additionally, beyond government funding, the Market has generate significant support through private sources. Such support demonstrates the potential long term sustainability of this project locally.

Finally, the criteria place greater weight on projects that demonstrate an ability to begin development within 12 months from the date of grant award. It is staff's understanding that the Farmer's market wishes to advance its project to development phase within the next year. This, of course, is dependent upon confirmation of funding from other partners.

Conclusion

It is important to note that the recommendation to allocate the total \$1,000,000 to the farmer's market society should not be misconstrued as a lack of support for the other initiatives. Rather, staff found each initiative to demonstrate great merit, and certainly would encourage Council to reconsider these projects in the future should this program be extended.

Upon review of certain proposals (i.e., St. Mary's University, Soccer Nova Scotia, and the Lake District Recreation Association.), staff acknowledge that they certainly demonstrate potential, and generally qualify for consideration under the proposed policy, given the nature of these projects they may be more appropriately funded through existing programs. Staff will return at a later date with proposed options for Council's consideration.

Finally, while a more straightforward approach to allocating the \$1,000,000 may have been to simply split it evenly among each group, it was generally felt that this would have been unproductive. Rather, this approach would have diluted the aim of the fund which is to facilitate the development of new and innovative facilities for HRM residents.

BUDGET IMPLICATIONS

The adoption of formal policy and procedures has no direct impact on the budget allocation of \$1,000,000 for 2008-2009 in Account# CBX01147 (known as Community grants - Community Owned Facilities) If Council choose to accept the recommendation of a one million dollar grant to the Halifax Port Authority (for use re: Farmer's Market), it would be expended from Account#CBX01147.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

The \$1,000,000 dollars was funded as part of the 2008/09 capital budget process and is currently shown as a capital account. Due to the nature of the program that has been developed and intended utilization of the funds, it would be more appropriate to budget and account for the *Community Facility Partnership Fund* within Fiscal Services, to be PSAB compliant and consistent with other HRM grant programs. To be fully compliant 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, at year end any balance expended will have to be adjusted to be reflected as an Operating Fund expenditure in Fiscal

Services, rather than a Capital Fund expenditure. If a *Community Facility Partnership Fund* is accepted as a multi-year program, in future years it would be budgeted and reported as an operating cost within Fiscal Services.

ALTERNATIVES


1. Regional Council could amend any aspect of the proposed policy and procedures, and could elect to formally evaluate submissions received to date and make recommendations with respect to funding eligibility and awards for fiscal year 2008-09.
2. Regional Council could elect to hold the funds budgeted in fiscal year 2008-2009 until the following fiscal year, and call for additional applications to be evaluated through the proposed process.

ATTACHMENTS

1. HRM Capital Pledges Program 1996-2002.
2. Draft Policy and Procedures: *HRM Community Facility Partnership Fund*.

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.

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Attachment 1.

Capital Pledges Program 1996-2002							
Organization	1996	1997	1998	1999	2000	2001	Total
Atlantic School of Theology, Halifax	\$3,000						\$3,000
St. George's Church Restoration, Halifax	\$100,000	\$33,333	\$33,333	\$15,000	\$39,444	\$39,444	\$260,554
Pier 21 Society, Halifax	\$50,000	\$25,000	\$75,000	\$45,000	\$165,000	\$140,000	\$500,000
Art Gallery of Nova Scotia, Halifax	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$30,000 paid from <i>Capital Pledges Program</i> and balance of \$125,000 from <i>Community Grants Program</i> .	
Canadian Cancer Society (Lodge), Halifax	\$22,500	\$11,250	\$11,250	\$8,000	\$12,333	\$12,333	\$77,666
Cobequid Multi-Service Centre Hospital - Sackville	\$40,000	\$11,667	\$11,667	\$10,000	\$12,223	\$12,223	\$97,780
Camp Hill Medical Ctr Foundation QEII, Halifax	\$90,000	\$139,166	\$139,166	\$20,000	\$178,889	\$178,889	\$746,110
Dartmouth General Hospital, Dartmouth	\$100,000	\$0	\$30,000	\$15,000	\$35,000	\$35,000	\$215,000
Grace Maternity Hospital Foundation, Halifax	\$235,600	\$60,400	\$16,000	\$16,000	\$75,200	\$75,200	\$478,400
IWK Children's Hospital, Halifax	\$195,600	\$133,733	\$133,733	\$25,000	\$169,977	\$169,977	\$828,020
	\$842,700	\$420,549	\$456,149	\$160,000	\$694,066	\$663,066	\$3,326,530
Note: the cumulative total excludes any contribution made prior to 1996 by an individual municipality.							

Attachment 2

HRM Community Facility Partnership Fund

Draft Policy and Procedures

The *HRM Community Facility Partnership Fund* is a centralized program that provides funding to community non-profit groups and public institutions in support of major capital initiatives undertaken as part of a formal partnership agreement. Applications are evaluated and prioritized by an inter-disciplinary staff review team who assess the respective merit of projects relative to council's strategic objectives and make recommendations regarding any award. The HRM Grants Committee provides oversight in terms of monitoring adherence to formal policies and procedures. The decision-making authority of Regional Council determines the program's annual budget allocation and the individual recipients. It should be noted however that if there are no proposals of sufficient merit an annual budget allocation and/or award be suspended.

The *HRM Community Facility Partnership Fund* has four primary goals:

- To facilitate collaborative partnerships that realize measurable outcomes commensurate with HRM's mandate and/or strategic priorities.
- To foster innovation.
- To facilitate the development of significant community infrastructure in order to realize tangible social and economic impacts on a geographic, demographic, or sectoral scale.
- To foster and promote a legacy that provides long-term public benefit. New community facilities assisted under this program will have significant impact primarily on a regional scale and HRM's contribution helps leverage funding, notably from the private sector.

The following policies and procedures outline the programs' eligibility criteria, evaluation and decision-making processes. The policy also contains guidance on the roles and responsibilities of applicants, HRM staff, and elected officials.

A. POLICY

1. Context

The purpose of the HRM Community Facility Partnership Fund Policy is to guide public investment in accordance with provincial and federal legislation, municipal goals and financial capacity.

2. Statement of Intent

The following principles guide the *HRM Community Facility Partnership Fund* policy and procedures:

Support Local Economic Development: investment in social and cultural infrastructure that make HRM more attractive to citizens, prospective investors, entrepreneurs, and employees thereby enhancing the region's reputation as a vibrant place to live and work.

Creativity and Innovation: funded projects foster strategic sectoral development and demonstrate excellence, creativity and innovation.

Strengthening Local Community, Government, and Non-Government Capacity: a capital project shall demonstrate long-term sustainability and enhance the capacity of both organizations and individuals. The funded project is not simply a real property development; the rationale for municipal financial support is the manner and scope of the facility's impact on social and economic development.

Community Inclusion and Access: capital projects shall be inclusive of a diverse community of interests and accessible to persons with special needs.

Demonstrated Impact on Regional Development: public investment shall realize significant and strategic social and economic impacts and/or neighbourhood regeneration and shall leverage municipal funding with that of other sources, including the private sector, to the greatest extent possible.

Environmental Sustainability: funded projects shall incorporate environmental sustainability in their design, execution and operation and contribute to the overall physical well-being of the community.

Eligibility Criteria: Community Partners

Eligible organizations are those whose primary mandate aligns with the municipality's strategic objectives and a signatory in a formal partnership agreement. Such agreements include but are not limited to a Memorandum of Understanding, inter-governmental agreement, major event hosting contract, or project partnership.

Applicants in debt to the municipality or party to a legal claim shall be ineligible for consideration pending (a) a signed payment plan and compliance with same, or (b) settlement of the claim.

Duplication of Funding: Municipal Grants and Contributions

Applicants to the *HRM Community Facility Partnership Fund* are ineligible to receive funding in the same fiscal year from the *HRM Community Grants Program*, *HRM Trails Capital Grants*, or the *HRM Special Events Reserve*.

Non-profit organizations in receipt of discretionary municipal property tax assistance are eligible to apply for a grant but the value of any award may be adjusted relative to HRM's overall level of direct support.

An applicant in receipt of an award under the *HRM Community Facility Partnership Fund* may not re-apply for further funding for a period of four (4) years. The aim is to create and sustain equitable access to opportunity.

Eligibility Criteria: Capital Projects

For the purpose of this program a capital project is a real property expenditure (land, building, or infrastructure⁵) valued in excess of \$2,000,000 with a useful life over one year.

A feasibility study, design fees, or technical plans directly related to the execution of a capital project are eligible for funding conditional upon project execution.

Applications should be supported by a comprehensive business plan including the organization's financial status, project capital budget and identified funding sources, and operating projections. Preference will be given to projects demonstrating sound planning and diversified revenues sources, including non-municipal funding.

Public art is not eligible for funding; such projects are funded under another HRM program.

Preference will be given to projects to be undertaken within 12 months of an award. The program does not fund generic fundraising.

Funding is for the purpose of new construction, the expansion of capacity, and to realize efficiencies in the delivery of municipal services (eg. density, proximity to public transit, use of existing municipal infrastructure). Rehabilitation, repairs, or enhancements not leading to a change in use/occupancy are ineligible for funding.

Eligibility Criteria: Sectors

1. Cultural Facilities

Cultural facilities that increase capacity in terms of accessibility, participation, and sector-specific productivity. This sector links to HRM's strategic goals in cultural development, events

⁵ Site preparation, water or sewer upgrades, streets, boardwalk, wharf, plaza etc.

hosting, economic development, and immigration⁶.

Arts Facilities

Capital projects that support the development of local cultural industries and entrepreneurial enterprise. For the purpose of this program the term 'arts' includes crafts, performing, visual and literary arts.

Ethnocultural Facilities

Community facilities that foster the retention and social integration of migrants and immigrants in HRM. The term 'ethnocultural' denotes a community of interest formed on the basis of shared racial or ethnic origin but also includes organizations whose formal mandate serves this sector. Requires formal links to settlement and retention support services ie. not a social club. Excludes religious affiliation.

Events Facilities

Indoor or outdoor events facilities that enhance HRM's national and international events hosting capacity and related economic benefits. Excludes local, regional and provincial level events. Includes conference or trade show venue. Proof of formal hosting bid submission required.

Public Collections Facilities

Signature buildings, including but not limited to the adaptive re-development of registered heritage buildings, that expand the region's capacity to host national, provincial, or regional collections (ie. museum, archives, historical attraction, interpretation centre) and have a regional economic impact eg. expansion of the cultural tourism sector.

2. Sport & Recreation

Sport, recreation and leisure facilities that increase capacity in terms of accessibility, participation, and environmental stewardship. This sector links to HRM's strategic goals in events hosting, active lifestyles, transportation, and eco-tourism⁷.

Competitive Sport

Organized competitive sports facilities that enhance HRM's national and international events hosting capacity and related economic benefits. Excludes local, regional and provincial level competition. Proof of formal hosting bid submission required.

⁶ [HRM Cultural Plan \(2006\)](#), [HRM Economic Strategy \(2005\)](#), [HRM Immigration Strategy \(2005\)](#).

⁷ [HRM Indoor Facilities Master Plan \(2004\)](#).

Recreation & Leisure

Facilities that mitigate an identified gap in public amenities, an under-served population, or neighbourhood regeneration.

3. Entrepreneurial Enterprise

Capital projects that develop new economic enterprises associated with cultural, educational, and technological institutions. For example, entrepreneurial and small business initiatives in agriculture, natural resources, environmental sustainability, or transportation⁸.

Fiscal Year

HRM's fiscal year is April 1st to March 31st.

Application Deadline

All applications shall be received by 4:30pm June 30th for consideration in the next fiscal year. Late or incomplete applications shall not be considered.

Program Budget Submission and Approval

Staff shall review submissions and in consultation with the HRM Grants Committee submit a business case and budget request through the regular annual budget process. The ability to provide capital grants under the *HRM Community Facility Partnership Fund* shall be a function of annual budget approval.

Value of Awards

The minimum value of awards shall be \$500,000 and the maximum value of HRM's contribution to a project cannot exceed \$1,000,000. Using these parameters, the minimum value of a project would be \$2,000,000 (HRM's contribution not to exceed 25%).

The value of a cash award may be decreased relative to other forms of municipal in-kind support such as but not limited to a less than market value sale of public land, a long-term lease of public land at less than market value, property tax assistance, discounted municipal fees, municipal infrastructure, or development concessions (eg. density).

HRM may, at its sole discretion, allocate the program's budget to one applicant or among several applicants in varying amounts. However, the overall aim of the program is to effect a measurable outcome and to avoid a dilution of impact.

⁸ In accordance with Section 57 (1) of the Municipal Government Act (1998) the municipality may provide grants for the purpose of promoting the region as a location for institutions, industries and business.

If there are no applicants of sufficient merit funds shall be placed in a designated reserve and carried over to the next fiscal year.

Allocation of Funds

Awards shall be paid in installments. A grant may be phased into several payments based on interim progress reports or a pre-approved schedule.

Multi-year awards may be considered but are conditional upon annual approval of a program budget allocation. Because budget capacity may vary significantly from year to year it is advisable to minimize the use of multi-year awards. Any such commitment shall be qualified by the statement "...subject to budget approval" to manage expectations and protect HRM from the risk of subsequent claims (eg. a breach of contract or damages).

Carry Forward of Funds

Funds committed to a project may be carried forward to the next fiscal year. The balance of any un-spent funds (ie. the project is completed under budget or the funds are not utilized) shall be deposited to a designated reserve.

If a commitment or contribution to a project that relies upon third party funding such as volunteer fundraising or a government grant proves not to be feasible (ie. lacks the necessary funding) the unused funds may be returned to HRM and deposited into a designated reserve, or with Regional Council's approval may be assigned to another applicant whose project is viable.

Interpretation: *Any movement of funds from one community project to another, or to a new project, requires Regional Council's approval.*

Restrictions on Type of Expenditure (Use of Fund not Permitted)

- An HRM-owned property or capital project is ineligible for funding under this program.
- Assistance to a private interest is not permitted (ie. an individual, family, or informal collective).
- Unless authorized under an Act of the Nova Scotia Legislature, grants to business, industry or commerce (including a for-profit cooperative) shall not be paid from the municipal real property taxes⁹.

⁹ For example:

Heritage Property Act (1989) (s.22);
Halifax Regional Municipality Marketing Levy Act (2001);
Halifax International Airport Development Grant Agreement (2004);
Oil Refineries and L.N.G. Plants Municipal Taxation Act (2004);
Municipal Government Act (1998) (ss. 56,57,65)

- Debt repayment for work completed or in progress, or prior losses or cost overruns, is ineligible for funding.
- Projects able to secure debt financing for the entire capital requirement are ineligible for funding. Claims of financial need shall be verified by HRM staff through an objective assessment of the applicant's funding proposal and applicable financial statement(s).
- Payment of deed transfer tax, property tax, fire protection tax, deed transfer tax, rent, fees or fines is ineligible for capital funding.

Appeals

Any appeal by an applicant declined funding shall only be considered on the basis of:

- new information not available to the applicant and/or reviewers at the time of application;
- an error in the application of approved policy or execution of regular procedures.

If the appeal is upheld the applicant shall be reinstated in the following year's program, subject to budget approval.

Any appeal of the value of an award shall only be considered if sufficient funds remain in the program's current budget allocation. Otherwise, the appeal shall be considered in the following year's program and (a) subject to budget capacity and (b) relative to other applicants.

Reporting Requirements

In accordance with Chapter 18, Item 65 (au) of the Municipal Government Act (1998) a list of all capital grants awarded under the *HRM Community Facility Partnership Fund* shall be sent to a newspaper that circulates throughout the region.

The provisions of the Municipal Government Act (1998) shall be followed with respect to freedom of information and the right to privacy (FOIPOP). The standard protocol directs the initial inquiry to departmental staff. If the request is not met to the satisfaction of the applicant, or not routinely available, the request shall be forwarded to the Director of Community Development. Any grievance should be directed to the FOIPOP Coordinator of HRM who shall be responsible for the review and resolution of requests.

Right to Audit

The *HRM Community Facility Partnership Fund* shall be included in the annual audit and requests for a more detailed review will be evaluated by HRM's Business Systems & Control Group. Any such audit shall check for complete and appropriate documentation, and the fair and equitable application of policy and procedures in decision-making.

B. PROCEDURES

1. Roles and Responsibilities

The *HRM Community Infrastructure Partnership Fund* is managed by HRM Community Development.

Applicant Organization:

All requests shall conform to the format provided by HRM. Incomplete applications will be considered ineligible for funding.

A grant shall be acknowledged in accordance with conventional protocols as per guidance provided by the program.

Upon request, the applicant may be invited to make a presentation to the inter-disciplinary review team and/or the HRM Grants Committee.

Inter-Disciplinary Review Team:

An inter-departmental review team shall be convened by HRM Community Development for the purpose of evaluating submissions and forming funding recommendations.

At a minimum the team shall comprise:

- An HRM financial consultant.
- Architect and/or engineer.
- Departmental staff in the applicable area of program or service delivery.
- Representation from HRM Community Development.
- Representation from HRM Infrastructure and Capital Projects.
- Representation from the Greater Halifax Partnership.
- HRM Legal Services with respect to funding contracts, partnership or joint use agreements.

At its discretion the team may solicit participation from external technical experts as required by the specific nature of the capital project.

All review team members shall abide by conflict of interest guidelines.

HRM Grants Committee:

The HRM Grants Committee comprises six members of Regional Council, one per Community Council. Annually, each Community Council selects its representative to the committee. Concurrent terms are permitted at the sole discretion of the applicable Community Council. The committee also includes six members of the general public selected by Regional Council through an annual open call for applications. The committee is supported by staff of HRM Community Development, HRM Finance, and the Office of the Municipal Clerk.

The committee shall receive and debate staff's report with eligibility and funding recommendations. The committee may amend a recommendation in terms of the

amount of award, or specific terms and conditions of funding.

The committee's report is attached to the staff report and submitted to Regional Council for approval.

The committee may initiate a review of policy and procedures, adjudicate appeals, and receive presentations.

Regional Council:

Decision-making authority with respect to any award from the *HRM Community Facility Partnership Fund* is at the sole discretion of Regional Council.

2. Application Procedure

Information shall be made available to the public in January of each year and all applications must be submitted by June 30th. The inter-disciplinary review team and HRM Grants Committee evaluate applications and submit a business case and budget request during the regular budget process for funds to be distributed in the next fiscal year.

This process is intended to:

- Avoid creating demand simply by virtue of supply (ie. a pre-existing budget allocation);
- Enable Regional Council to consider capital requests for non-HRM owned assets relative to municipal capital needs and within the context of each year's capital budget deliberations;
- Adjust the proposed level of funding annually in accordance with the merit of applications and their perceived social and economic impact;
- Assess the measurable outcomes of funding to third parties relative to strategic municipal priorities;
- Negotiate partnerships, joint use agreements, national or international hosting bids, or inter-governmental agreements as applicable and in a timely manner.

3. Evaluation Procedure

All applications will be subject to a standardized scoring process and ranked by the inter-disciplinary review team.

Scores will be weighted in accordance with the following:

- An objective measure of economic and/or social impact. Type, scale, and scope of impact at the respective neighbourhood, community, regional, provincial, national, or international level

- Demonstrated feasibility including but not limited to market research, financial analysis, capital and operating budget projections, and an assessment of the type and scope of program and service delivery (business case).
- Financial impact on HRM in terms of one or more of the following (a) an increase in the municipality's tax base, (b) a reduction in HRM's operating or capital costs, (c) an incremental increase in municipal operating revenues, or (d) alternate service delivery through a formal partnership or joint use agreement.
- Diversification in funding sources and/or proponent's ability to self-finance. Enabling effect or leveraging potential of HRM funding is a key consideration.
- Claims of need or benefit are to be substantiated with current data.
- Type, scale, and scope of impact at the respective neighbourhood, community, regional, national or international level. The geographic and social impact will vary among the funding sectors.
- Long-term sustainability of project/programs, independent of municipal funding.
- Alignment with municipal priorities. Projects that impact more than one priority outcome will score higher than sector-specific proposals.
- Partnerships and collaboration.
- Sector-wide impacts whose scope is beyond that of the recipient organization or collaborative partners.
- Accessibility and environmental stewardship.
- Design excellence and pride of place.
- Tangible benefit to the general public.

4. Reporting Procedures

Grant recipients shall submit an interim progress report and a final report in accordance with the specific terms and conditions of funding. Insufficient or incomplete reporting shall be just and sufficient grounds to withhold payment.

5. Continuous Renewal Clause

These policies and procedures shall be reviewed after one (1) year of implementation to evaluate its scope, relevance, and efficacy. Thereafter, the policy shall be reviewed every three (3) years or upon request to reflect substantive changes in legislation, municipal policy, or municipal strategic priorities.

Responsibility for the review of policy shall be that of HRM Community Development.

Recommended changes to policy or procedures shall be made by HRM Community Development and the HRM Grants Committee for the approval of Regional Council.

A formal report with staff recommendations shall be presented to the HRM Grants Committee who may amend an award or the conditions of funding. The Grants Committee's recommendation is then sent to Regional Council for approval.

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