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Item No. 10.1.3

Halifax Regional Council  
November 24, 2009

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

A handwritten signature in cursive script, appearing to read "Wayne Anstey", written over a horizontal line.

Wayne Anstey, Acting Chief Administrative Officer

**DATE:** November 7, 2009

**SUBJECT:** Sheet Harbour Streetscape Phase I - Agreement With Sheet Harbour and Area Development Corporation

**ORIGIN**

1. Regional Council approved \$500,000 in HRM funding in the 09/10 Capital Budget towards a streetscape project in Sheet Harbour proposed by the Sheet Harbour Chamber of Commerce.
2. Under the Federal/Provincial/Municipal stimulus package, the Sheet Harbour Streetscape Improvements were identified as an approved project

**RECOMMENDATION**

It is recommended that Regional Council;

- 1) Approve the terms of the Agreement between the Sheet Harbour Development Association and the Halifax Regional Municipality as attached to this report.
- 2) Direct staff to bring forward the necessary terms for the local area charges and area rates as per the attached agreement for adoption by Regional Council.

## **BACKGROUND**

The community of Sheet Harbour through the Sheet Harbour Chamber of Commerce developed a plan for the improvement of key lands within the community. The plan includes improvements to park and tourist features as well as a streetscape program which provides sidewalks, lighting, trees and street furniture within the right of way of the #7 Highway as it runs through the centre of the community. The plan has been embraced by the community. The streetscape improvements are the first phase of implementation and are designed to provide better safety for pedestrians and present a positive image for residents and tourists. The Chamber worked with the three levels of government as well as the community to create a funding assembly for this component of the project.

Highway #7 is owned and operated by the Province of Nova Scotia. Consistently the Province of Nova Scotia does not provide or maintain sidewalks or streetscape improvements on its highways. Instead, where desired, these improvements are to be provided by the local municipality. To provide sidewalks and streetscape improvements in Sheet Harbour, the Province requires HRM to build, own and maintain the improvements.

HRM generally does not provide sidewalk improvements outside CIT boundary. It is not a service found in the tax structure for these communities. To make the project work, an agreement was developed between the Sheet Harbour and Area Development Corporation and HRM for construction, ownership and maintenance of the improvements. (See Attachment 1)

## **DISCUSSION**

Under the agreement the municipality agrees to;

- Own the sidewalk and streetscape improvements
- Set a standard for construction of the improvements
- Carry out annual inspections as to the improvements
- Collect the applicable local improvement charges and area rates from the community for construction and maintenance and turn that over to the Sheet Harbour Development Association for the servicing of the debt and provision of maintenance.
- Provide the financing to cover the community share of the initial construction

The Sheet Harbour and Area Development Corporation shall agree to;

- Form a working committee comprised of themselves, HRM and the Province of NS to oversee the construction of the project
- Gain community approval for local improvement charges and area rates for the construction and ongoing regular and capital maintenance for the improvements as set out in the agreement.
- Tender the improvements by competitive process.
- Be responsible for regular and capital maintenance of the improvements.

- Carry insurance and save the municipality harmless from actions taken by the association.

Other details and conditions of the agreement are found in Attachment 1.

As HRM does not provide for sidewalks under the tax and municipal services structure for this area, the Sheet Harbour project sets a precedent for similar situations. It is important to ensure that all communities who are in this situation are treated equally. Therefore, staff are putting the agreement, found as Attachment 1, forward as the basis for any other communities where sidewalks and streetscapes are not part of the tax structure. This is with the understanding that details will vary from community to community.

### **BUDGET IMPLICATIONS**

The Sheet Harbour project has attracted \$3.5 million dollars in cost shared funding under the Federal Stimulus program. The stimulus funding allows Phase I of the project (which is the subject of this report) to be completed. It is also sufficient to permit future phases outlined in the master plan to be implemented although the detailed scope of that work has yet to be determined. Those future phases will be the subject of a future agreement to be brought back to Council at a later date.

The Sheet Harbour and Area Development Corporation has also assembled project funding amounting to \$985,000 including a \$500,000 commitment from ACOA to be used for streetscape work and a commitment from the Province of \$485,000 for engineering and storm drainage work.

The Sheet Harbour Stimulus funding is part of the overall \$ 33 million dollar federal announcement towards HRM. Within that agreement HRM is responsible for one third of the Sheet Harbour funding (\$1,166,666). Council has approved a \$500,000 contribution as part of the 08/09 capital budget (Project No. CDX01145 - Sheet Harbour Streetscape) and the Sheet Harbour Development Association has indicated that the community is prepared to fund \$344,000 through a Local Improvement Charge (LIC). Further funding will be required to leverage the full \$3.5 million from the stimulus program. This will be the subject of further discussions and if necessary Council's decision.

In the meantime the tender for Phase I of the project has been issued by the Sheet Harbour Development Association and is awaiting award pending the ratification of this agreement by Regional Council. The Phase I tender was let this fall to prevent the loss of \$500,000 in the Corporation's approved ACOA funding which must be spent by March 31, 2010. The value of that tender is \$2, 795,041. It will be funded through the ACOA funding, Province of Nova Scotia's previous commitment and stimulus funding. The municipal share of that tender is \$500,000 already approved by Council in the 08/09 budget. Therefore staff are recommending the ratification of this agreement with the understanding that future phases will be the subject of future discussion. The balance of the Phase 1 funding will come from an LIC in the amount of \$136,680 which will have to be approved by Regional Council.

**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.

**ALTERNATIVES**

Council could choose not to approve the terms of the agreement.

**ATTACHMENTS**

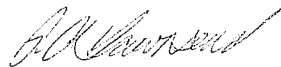
Attachment 1 - Agreement between Halifax Regional Municipality and Sheet Harbour Development Association

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: Peter Bigelow, Manager, Real Property Planning, IAM, 490-6047



Financial Approval by: \_\_\_\_\_  
Cathie O'Toole, CGA, Director of Finance, 490-6308



Report Approved by: \_\_\_\_\_  
Phillip Townsend, Director, Infrastructure and Asset Management, 490-7166

# **AGREEMENT**

## **Phase 1 Sheet Harbour Streetscapes**

**Between the**

**Sheet Harbour and Area Development Corporation  
(‘the Corporation’)**

**and the**

**Halifax Regional Municipality  
(‘the Municipality’)**

Hereinafter collectively called ‘the parties’.

WHEREAS the Corporation has developed a master plan for improvements in the community of the Sheet Harbour including construction of sidewalks and streetscape improvements along a section of Highway 7;

AND WHEREAS Halifax Regional Council has approved an upset amount of \$500,000 toward the construction of the streetscape improvements project should sufficient cost sharing from other partners come forward;

AND WHEREAS the Corporation and the Municipality wish to work jointly with respect to these improvements as outlined in Attachment A;

IN CONSIDERATION of the mutual covenants and conditions hereinafter contained, the parties agree as follows:

1. The parties will work cooperatively in respect to the streetscape improvements to the Sheet Harbour section of Highway 7 and outlined in Attachment A. The project will generally include repaving, new sidewalks, improvements to storm water management, lighting and streetscape amenities contained in the Ekistics report entitled Sheet Harbour Waterfront Master Plan.
2. The Municipality shall own the sidewalk, curbs, street trees, street lights, and street furniture.
3. The Corporation shall certify to the municipality that all standards and specifications have been met for the works.
4. Upon completion of the works, the Corporation shall assume responsibility for the maintenance of the streetscape improvements including, but not limited to, cost, litter cleanup, sweeping, snow clearing, periodic painting, life cycle maintenance and replacement.

5. The Municipality agrees to conduct periodic scheduled assessment of their owned assets and provide that information to the Corporation for whatever purpose is deemed necessary.
6. All work is to meet, at a minimum, the Provincial Transportation and Infrastructure Renewal standard, however, where deemed by the Municipality, shall meet a higher standard as set by the Municipality. This includes standards for construction and maintenance
7. The corporation shall carry insurance and name the Municipality as saved harmless from its actions.
8. The Corporation shall be responsible for assembling and administering the funds for the project.
9. The Corporation shall be responsible to facilitate the community's agreement for capital and maintenance charges.
10. The Community Contribution towards capital and maintenance is to be collected through an LIC or area rates.
11. Any cost overruns shall be covered using Stimulus funding from which the municipal share shall come from the LIC or area rates.
12. The municipality agrees to "front end" the community's portion of capital funding to be collected over a twenty year period. The Community Capital contribution shall include the principle and interest of the capital amount.
13. The Corporation shall endeavor to minimize costs associated with the capital and maintenance works and shall apply for any tax and or HST rebates which are applicable. All savings are to be applied to the works as outlined in this agreement.
14. The project shall not commence beyond detailed design unless the project is fully funded in accordance with cost estimates developed as part of the detailed design process.
15. The parties agree to form a working committee to develop and oversee the work through design development, detailed design, tendering and construction.
16. The Corporation shall employ a project manager with responsibilities for day to day administration of the project, project team, consultants and contractors.
17. The Municipality shall have approval on all detail design, and construction components of the project.
18. Upon successful completion of the detailed design phase and approval of the parties, the Corporation will secure the necessary approvals from the Province for the improvements

to be located within the ROW and for the work to be carried out in accordance with appropriate PNS standards.

19. Any cost requirements for additional property or easements shall be appropriated to the project. Any additions to the right-of way shall be in the name of the Province of Nova Scotia.
20. The Corporation shall be responsible for contracting project work, by competitive process suitable to the Municipality, with technical assistance from HRM staff and others (i.e. the Province). Such work shall only be awarded and contracted with the approval of the Municipality. The parties may jointly determine to phase or scale the project to reflect available funds. No tender award for construction shall be made without full funding reflective of tendering prices and applicable HST.
21. Any changes ordered after work is contracted, whether resulting in additional costs or not, shall be by agreement of the parties. Should such changes not be agreed to mutually, the Municipality, as the owner, shall have the final decision. It is understood by the parties that where additional work is required by the Province of Nova Scotia to meet its need to pave or improve the vehicular travel way it will be responsible for funding any additional costs associated with such changes.
22. Failure to secure the necessary funding and commence construction within nineteen months of this agreement being signed shall require an extension of the agreement by all parties. If any or all of the parties does not agree to an extension, this agreement shall become null and void.
23. This agreement may be terminated by either party upon providing four (4) weeks written notice.
24. Construction signage on the joint project site shall acknowledge the contributions of all parties involved.
25. To facilitate the administration of this Agreement, the contact person at HRM shall be Wayne Anstey, Deputy CAO, HRM and the contact person at the Corporation shall be Wayne Malay, President.

Agreed to this     day of                             , 2009

Halifax Regional Municipality  
*per*

Mayor

Peter Kelly

Clerk

Sheet Harbour and Area Development Corporation  
*per*

President

Wayne Malay

Treasurer – Jack Marshall

## Attachment 'A'

Construction of new concrete curb and gutters, new concrete sidewalks, (one side only), Mainstreet- Streetscape to include street furniture, street lighting, trees along trunk number 7 highway at Sheet Harbour from the Falls Bridge at West River to the East River Bridge, a distance of approximately 2.7kms.



## Attachment 'B'

### Funding Assembly Phase I

#### Economic Stimulus Funds:

Government of Canada		\$636,680.00
Province of Nova Scotia		\$636,680.00
Halifax Regional Municipality		
-HRM 2008/09 Capital	\$500,000.00	
-Local Improvement Charge	<u>\$136,680.00</u>	
Subtotal	\$636,680.00	<u>\$ 636,680.00</u>
<b>Total Economic Stimulus Funds</b>		<b>\$1,910,040.00</b>

#### Other Assembled Funds by

#### Sheet Harbour and Area Development Corporation:

Province of Nova Scotia		
-Design, Engineering & Project Management	\$100,000.00	
-Storm Drainage	<u>\$385,000.00</u>	
- Sub Total	\$485,000.00	\$485,000.00
Government of Canada		
-ACOA- Streetscape: Lights, Street Furniture & Trees, Etc	<u>\$500,000.00</u>	
Total Other Assembled Funds		<u>\$985,000.00</u>

**Total Funding All Sources** **\$2,895,040.00**

### Application of Funds

Phase 1		
-Engineering & Project Management		\$100,000.00
-Phase 1 tender Bid –		
Sidewalk & Streetscape Construction	\$2,473,488.00	
HST	<u>\$321,552.00</u>	
Subtotal	\$2,795,040.00	\$2,795,040.00

**Total Projected Expenditures Phase 1** **\$2,895,040.00**