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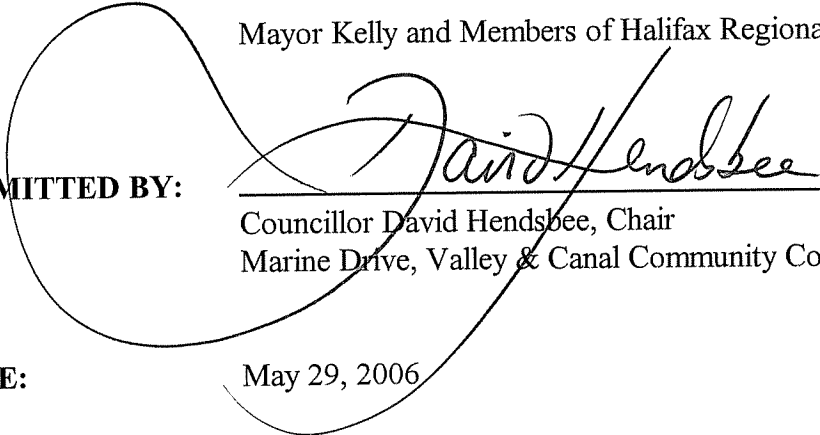


PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
June 20, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


Councillor David Hendsbee, Chair
Marine Drive, Valley & Canal Community Council

DATE: May 29, 2006

SUBJECT: Proposed New Area Rate for Fall River Recreation Centre

ORIGIN

Marine Drive, Valley & Canal Community Council, May 24, 2006.

RECOMMENDATION

It is recommended that :

An area rate of \$0.063 per \$100 of assessed value be approved to be applied against the taxable assessment within the mapped area depicted in Appendix A of the staff report dated May 19, 2006 effective with the 2006-07 fiscal year for the purpose of financing the construction of the Fall River Recreation Centre. The area rate will be reviewed if additional funding is obtained through the Canada-Nova Scotia Municipal Rural Infrastructure Program, and when the construction tender is awarded.

BACKGROUND

Please refer to the attached staff report dated May 19, 2006.

DISCUSSION

Please refer to the attached staff report dated May 19, 2006. This report is in compliance with the seventh and final step of the Interim Area Rate Guidelines which states "Halifax Regional Council is responsible for approving all area rates."

BUDGET IMPLICATIONS

It was noted at the May 24, 2006 Community Council meeting that a correction is required in the Budget Implication section of the staff report dated May 19, 2006. The facility will be managed by HRM staff, not a volunteer association as stated in the attached report. These staff are currently located at an existing facility located at 3182 Highway #2, Fall River. This facility would be closed and staff relocated to the new facility. Therefore, there is no additional cost to HRM for staffing. The additional non-staff operating costs of the new facility, net of revenues, is estimated to be \$75,000 annually. As the new facility is scheduled to open in the Fall of 2007, this cost will be dealt with in the 2007/08 HRM Operating Budget.

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 may wish to consider the Alternatives outlined in the attached Staff Report dated May 19, 2006.

ATTACHMENTS

Staff Report dated May 19, 2006


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



Marine Drive, Valley & Canal Community Council
May 24, 2006

TO: Chair and Members of Marine Drive, Valley & Canal Community Council

SUBMITTED BY:


Cathie O'Toole, CGA - A/Director, Financial Services

DATE: May 19, 2006

SUBJECT: Proposed New Area Rate for Fall River Recreation Centre

ORIGIN

Interim Area Rate Guidelines were adopted by Council in January 2000 to create a process to assist communities establish new area rates, ensure that all taxpayers have an opportunity to participate in setting a rate and ensure that rates are set only for valid municipal purposes and not for services already covered by the general rate.

The purpose of this report is to determine if the Interim Area Rate Guidelines have been satisfied thus far with regard to a proposed new area rate for the new Fall River Recreation Centre.

RECOMMENDATION

It is recommended that :

An area rate of \$0.063 per \$100 of assessed value be approved to be applied against the taxable assessment within the mapped area depicted in Appendix A effective with the 2006-07 fiscal year for the purpose of financing the construction of the Fall River Recreation Centre. The area rate will be reviewed if additional funding is obtained through the Canada-Nova Scotia Municipal Rural Infrastructure Program, and when the construction tender is awarded.

BACKGROUND

On January 24, 2001, the Canal District Recreation Association (CDRA) engaged the Environova Planning Group Inc of Bedford, NS to complete a recreation study to determine the recreation resources and needs of District 2. The study was completed July 31, 2001. One of the report recommendations was for replacement of the current facility in Fall River with a multi-purpose facility incorporating a fitness centre with a regulation-sized gymnasium. The CDRA then initiated a public consultation process to obtain further input from the District 2 communities as to the composition and location of the proposed new facility.

During the public consultation process, residents of District 2 were advised that, based on an estimated project cost of \$3.5 million, an area rate of \$0.063 per \$100 of taxable assessment would be sufficient to generate enough revenue to cover the annual debt payment costs. The area to which the new area rate would be applied is depicted in the map in Appendix "A" of this report. After completing the public consultation process and considering feedback received, it was determined that a facility costing approximately \$4.5 million (including the unrefundable portion of the HST) would be required to meet the needs of the District 2 communities. Staff have re-evaluated this information based on up-to-date assessment data, and have determined that even with the \$1.0 million increase in the estimated project cost, the proposed area rate would still generate enough revenue over 10 years to meet all debt payment obligations. However, this determination is conditional on the project remaining within the budget of \$4.5 million. Because the facility is not yet constructed, the final costs are not known.

HRM is currently making application for \$2.0 million in funding through the Canada-Nova Scotia Municipal Rural Infrastructure (MRIF) Program. If the application is successful, only \$2.5 million of the project cost would be need to be debt financed. As a result, the area rate could be lowered to \$0.03 per \$100 of taxable assessment and still generate enough revenue over 10 years to meet all debt payment obligations. This determination is conditional on the project remaining within the budget of \$4.5 million.

In the event the final cost of the project exceeds the budget of \$4.5 million, any amount in excess of \$4.5 million will be the responsibility of the community. Some options available to the community to address such an overage would include fundraising, increasing the area rate, or scaling back the project. Following finalization of the amount of funding from the MRIF Program, and awarding of the construction tender, the area rate will be reviewed.

MRIF agreement indicates that design costs for a project can be eligible from the date of the Agreement. It is staff's understanding that all costs are eligible from the date of application receipt by the MRIF Secretariat providing that the project ultimately receives approval and that any other terms and conditions of the agreement are met. In reality, the cost eligibility and funding security is not confirmed until HRM has received and signed a letter of offer. Any cost expenditures for a potential MRIF project are undertaken at the risk of HRM until a letter of offer for the project is signed. For various reasons, it can take several months from the time a project has been identified and an application submitted, until a formal letter of

offer is received for an approved project.

DISCUSSION

The current status of this proposed new area rate in terms of the Interim Area Rate Guidelines is as follows:

1. *Area rates can only be used for the provision of services within the municipal mandate; services traditionally provided by the municipality.*

Section 65 (ag) of the Municipal Government Act states that "Council may expend money required by the municipality for playgrounds, trails, bicycle paths, swimming pools, ice arenas and other recreational facilities." The Halifax Regional Municipality and its predecessor municipal units have traditionally funded, either entirely or partially through partnerships, the construction and ongoing operating costs of recreation facilities.

2. *Area rates are not to be used to provide different levels of a municipal service within urban and suburban areas where said service is covered by the general tax rate.*

The communities to which the area rate would be applied are mostly within the suburban area of HRM with some rural and urban sections. However, the Association is not intending to use the area rate to provide a higher level of service than what would be funded from the general rate. The suburban area of District 2 is one of the fastest growing areas of HRM and is currently under serviced for recreational resources.

3. *In order for a proposed new area rate to move to the process as outlined in #4 below, it must have the support of the area's Councillor(s).*

The catchment area for the proposed area rate falls entirely within District 2. The Councillor for the District, Krista Snow, conducted a mail-in vote of all community households in the catchment area as mapped in Appendix A to determine if there was support from a majority of the community for the area rate. The results of the vote are indicated on the following page. Having determined that sufficient support existed, she has requested staff prepare a report in compliance with Step 5 of the Interim Area Rate Guidelines for consideration at the next meeting of the Marine Drive, Valley & Canal Community Council.

4. *Proposals for new area rates must be advertised publicly, clearly identifying affected areas, the purpose for the rate, rate information and the duration the rate is expected to be charged. A public meeting will be held and those attending the meeting will be informed of the rationale for the rate and consulted on its appropriateness.*

A public meeting was held to discuss the proposed area rate on April 28, 2004 at the Waverley Legion Hall, 1166 Rocky Lake Drive. The date, time, location, and purpose of the meeting were advertised in the April 2004 edition of the Laker, a local community newspaper. More than 200

residents attended the meeting.

In April 2004, a ballot along with a detailed information package (Appendix B) was mailed out to all property owners in the catchment area. A stamped envelope was included for convenience of returning the ballot. The information package provided a detailed breakdown of the facility space and how it would be utilized along with the capital cost. It also provided a side-by-side comparison including costs of the two proposed sites; MacDonald Park in Waverley, and the Jefferson property in Fall River. Several area rate options were also provided based on location, whether or not a baseball field was included, and whether or not funding from other levels of government would be provided. Property owners were asked whether or not they supported an area rate for a District 2 Recreation Centre and, if they did, which of the two locations they preferred.

Over one-third of the ballots mailed out were returned. Of those returned, 67% voted in favour of the area rate. The results of the voting process was as follows:

		Percentage of Total Returned
Ballots Mailed	4682	
Ballots Returned	1573	
Votes in Favour preferring Waverley property	540	34%
Votes Against preferring Waverley property	49	3%
Votes in Favour preferring Jefferson property	520	33%
Votes Against preferring Jefferson property	57	4%
Votes Against	372	24%
Spoiled Ballots	35	2%

- 5. With the concurrence of the Councillor, the request is forwarded to the Community Council for review and a recommendation to Halifax Regional Council. Where a Community Council does not exist, the request will go directly to Halifax Regional Council.*

The purpose of this report is to provide the Marine Drive, Valley & Canal Community Council with the necessary information required to consider making a recommendation to Halifax Regional Council for the new area rate. The results of the public meeting and vote were outlined previously in this report, and the implications to the Municipality are identified under the Budget Implications section which follows.

6. *Any proposed new area rates recommended by a Community Council (or, in the absence of a Community Council, the Councillor for the area) will be submitted to Halifax Regional Council through a staff report with a recommendation from the Chief Administrative Officer. The staff report will identify the implications to the Municipality along with the results of any public meeting.*
7. *Halifax Regional Council is responsible for approving all area rates.*

Completion of steps 6 and 7 are contingent on the Marine Drive, Valley & Canal Community Council approving the Recommendation contained in this report.

BUDGET IMPLICATIONS

There are no implications to the Operating and Capital Budget as the new area rate would generate the additional revenue required for the debenture payments. Operating costs would be the responsibility of the volunteer association managing the new facility.

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


- Community Council could decide not to implement the area rate until the final project costs and the amount of funding from the Canada-Nova Scotia Municipal Rural Infrastructure Program are both known. This would eliminate the risk of increasing the area rate after it has been implemented. Staff would support this alternative.
- Community Council could decide to implement an area of \$0.03 per \$100 of taxable assessment now based on the assumption that the application for funding under the Canada-Nova Scotia Municipal Rural Infrastructure Program will be successful for the amount requested. However, if the application is not successful or less funding is provided than requested, it would be necessary to raise the area rate up to \$0.063. This alternative is not recommended by staff.
- Community Council could also decide to recommend some other funding arrangement which could include some combination of area rates and fund raising. However, other funding sources have not been identified. Therefore, this is not the recommended option because it would create uncertainty as to the future of the project and at best would result in delays in starting it.

ATTACHMENTS

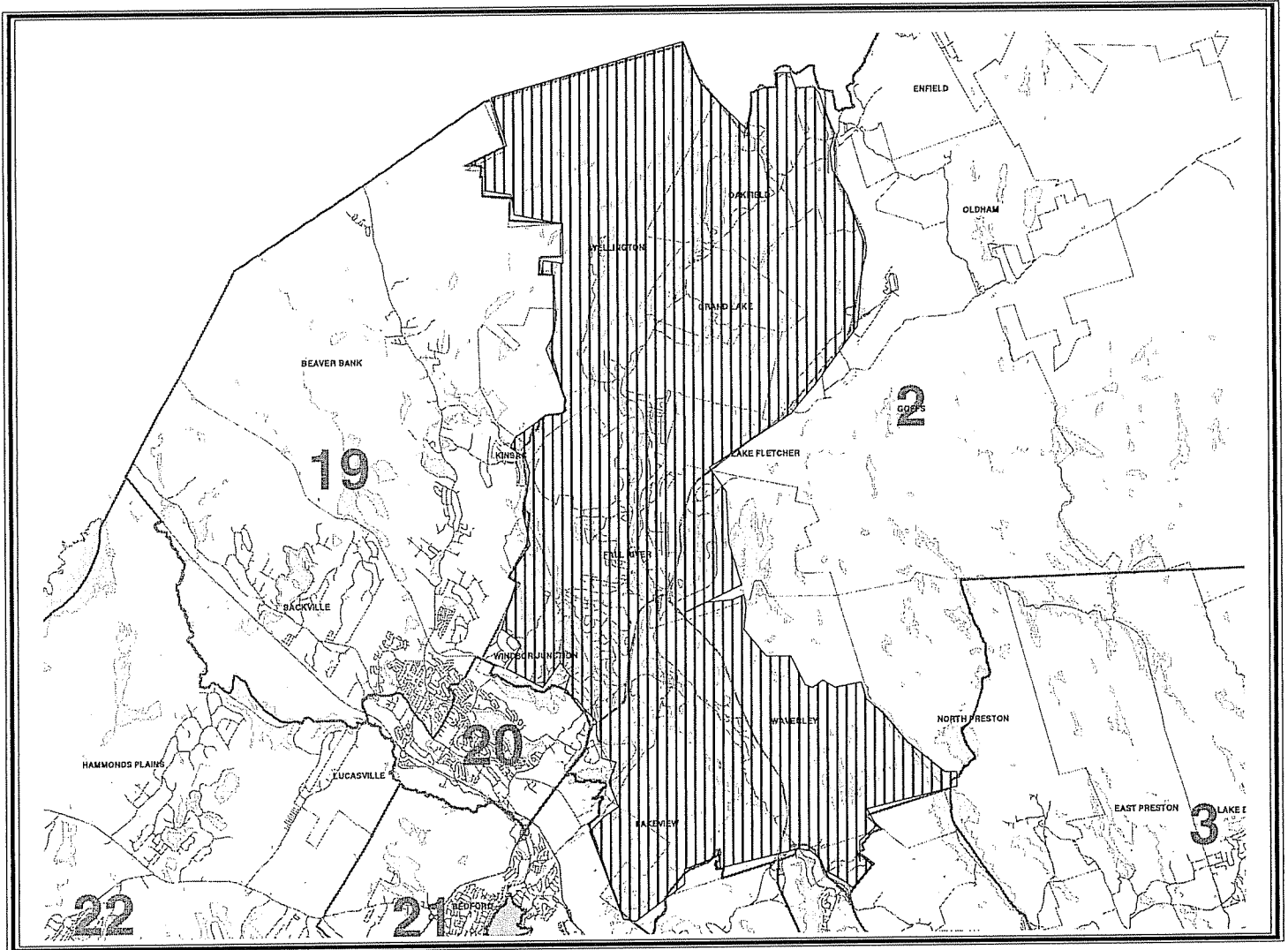
- Appendix A: Map of Catchment Area for Proposed Area Rate for Fall River Recreation Centre
- Appendix B: Copy of Ballot and Information Package mailed to Property Owners

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: Gordon Roussel, Financial Consultant, Finance 490-6468

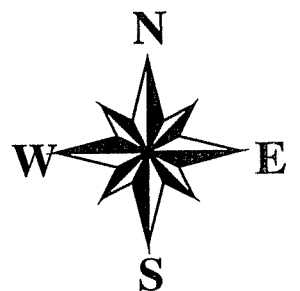
Report Reviewed & Approved by: 
Debbi McCaig, CMAA, Manager, Budget & Financial Analysis 490-4280

Halifax Regional Municipality



Fall River Recreation Centre Properties to be Area Rated

-  Fall river recreation.shp
-  Street
-  GSA Boundary
-  Districts



CUSTOMER ADDRESS HERE

DISTRICT 2 RECREATION CENTRE - BALLOT

The District 2 Recreation Centre is currently in the pre-design stage. The funding is to be proposed to Council early in April and if approved will enable the project to continue into the Design Stage in 2004.

Tentative Design/Construction Schedule: April 2004 - Budget Approved; June 2004 - Implemented Area Rate; July 2004 - Request For Proposal for Design; August 2004 - May 2005 - Design of the Facility; June 2005 - Tender for Construction; July 2005 - April 2006 - Construction Complete.

Design of this new Centre is contingent on the resolution of site selection and area rate. The Canal District Recreation Association has been working with HRM Recreation, Tourism and Culture in the development of this project. There are currently two sites being considered. Councillor Krista Snow has received many phone calls and emails expressing concern on this matter. The Councillor has therefore decided to bring this to a vote with the community. In order to do this we are presenting each household with a ballot that will enable HRM to be sure the community's wishes are represented on both site selection and area rate to be charged. This choice however requires that the voter review all the facts about each site so that an informed decision can be made.

After reading the information presented please fill out this sheet and return via fax or mail to:

**Councillors' Support Office City Hall, 1841 Argyle Street, 4th Floor, Halifax, Nova Scotia B3J 3A5
Facsimile: 490-4122**

RETURN THE BALLOT (FULL PAGE) BY MAY 7, 2004

After having reviewed the enclosed material - vote for the following site for the new District 2 Recreation Centre (Please place an "X" for your choice):

Do you support an area rate for a District 2 Recreation Centre?

Yes _____

No _____

If yes, which location do you prefer?

Waverley Property _____

Jefferson Property _____

The results of this survey will be taken into consideration in the final site selection process, the responsibility which lies with HRM and Halifax Regional Council. Final decision on the site selection lies with Halifax Regional Council.

If you have any questions respecting this Site Selection Ballot please contact the Call Centre Office at 490-4000.

Property Code Here

The Programmed Spaces that will be included in this Recreation Centre (both sites) are as follows:

Name of Space	Description	Size	Area
Main Entrance	To inc. seating area & lobby, reception counter	circulation	
Administration Offices (2)	Community Recreation Programmer	10x10	100
Administrative Support	Office	10x10	100
Seasonal Staff Cubicle	Proximity to both community Recreation and Admin support for shared use in off season	8x10	80
Copy Room	Separate Vented area for Office Equipment - Photocopier, fax, office storage and mail slots	8x10	80
Public Washrooms	M/F - c/w family change station. Barrier Free washrooms/stalls req'd. Amount assumed for planning purposes	Dependent on total occupancy	400
Locker/Change Rooms	Male/Female (combined with washrooms above)	2@ 25x15	750
Janitor Rooms	Floor Sink, Storage Shelves - Locked Door	2@ 4'x7'	56
Staff Room	Capacity 6 -Kitchenette area -tables & chairs Fridge/Sink/Microwave/stove/Cabinets for storage	12x12	144
Board Room/Meeting Room	Capacity of 12	12x20	240
Preschool Program	Could be used for Youth Program,	12 x20	240
Preschool Washroom	Small Fixtures for kids	7x5	35
Multi-purpose Room	This room will be used for several functions - a divider will allow it to be split into two spaces. This space will accommodate Dance; Drama; Yoga; Fitness; Tai Chi; M/Model; Babysitting courses; Martial Arts; P/T	30x50	1500
Storage off Multi-purpose Rm	Table and Chair storage	12x12	144
Arts & Crafts Room	Capacity 20; Sink; Counter Space c/w storage tile Floor	18x18	324
Community Activity Room	The intention of this space is to include a canteen area that is operable to the exterior and the interior. This will enable various teams to run it and raise money. There should be space also for "a gathering space" The canteen should accommodate a fridge, deep freeze, hot dog machine, microwave and double sink.	20x24	480
Gymnasium	Provincial Regulation Size- Floor type- Wood Floor Preferred - various functions. Retractable Bleachers, Double with divider. 6 Basketball nets (2 ends + 4 side),Scoreboard	110'x76.4'	8404
Gym Storage	For chairs/tables; gym equipment; balls; posts etc.	20x14	280
Electrical Room	C/w plywood lining	8'x20	160
Mechanical Room	Double Door Access to Outside	20x20	400
Communications Room	Must be 27' (9m)away from Electrical Room	6'x8'	48
Total area for spaces			13965
Circulation Spaces	Corridors; lobbies etc 12%		1676
Wall Thickness	7%		- 1095 -
Total Area			16736 sq.ft.
Total Cost	based on \$145.00 / sq.ft		\$2,426,720.00
Partial Air Conditioning	2000 sq.ft.@ 10.00/sq.ft		\$20,000.00
Additional items	Bleachers; Divider Curtain; divider wall; scoreboard & basketball nets; upgrade to wood floor and firewall (no sprinkler available		\$95,000.00
Design Consulting Fees	7.5%		\$190,629.00
Furniture & Equipment Allowance			\$150,000.00
Contingency	10%		\$270,000.00
Total Cost of the Building			\$3,152,349.00

Site Options:

The two sites being considered to accommodate this facility are the Jefferson Property - located on Fall River Road and the Waverley Property located off the Cobequid Road. The following is a list of known facts that pertain to each site:

No.	WAVERLEY SITE	ESTIMATED COST	JEFFERSON PROPERTY	ESTIMATED COST
1	Owned by Natural Resources (expected \$1 + \$500 Deed Transfer)	Unknown (\$ 500)	Owned by HRM (paid \$311,000 in 1998)	
2	Zoned P2 Parkland - No rezoning required		Zoned C2 -Allows Recreation Centres - No rezoning required	
3	Water Frontage approx. 2300 ft.		Water Front approx. 883 ft	
4	Req. Septic Tank & Field - Design & Construction	\$70,000	Requires Septic Tank & Field - Design and Construction	\$70,000
5	Waterline will be hooked up to City Service.** Any bldg. in Service Boundary is req'd by Code to hookup to the city's infrastructure.	\$150,000	Requires Well & monitoring of water & treatment which is costly for the operational budget.	\$35,000
6	35 acres will be requested Area req'd for building & parking is approximately 2 acres + set backs		9.74 Acres Area req'd for building and parking is approx. 2 acres + setbacks	
7	Site Investigation Required Phase I Environmental Site Assessment, Phase II Site Assessment - Geotechnical Report and Survey and topographic plan.	\$40,000	Site Investigation Req'd Phase I Environmental Site Assessment, Phase II Site Assessment - Geotechnical Report and topographic plan. Survey plan has been done.	\$23,000
8	Environmental Site Issues: Possible Mineshafts in the area. To be verified. Possible "tailings" pond - could be source of contamination. No cost estimated as this has yet to be verified Environmental Consulting Services and testing required.	Not Available \$30,000	Environmental Site Issues: Pyritic Slate in the area - Assuming removal of .5 meter depth x ½ the area of the bldg. Encapsulation of slate with Clay & addition 1'-0" rock to give stability to clay. Pyritic slate and the fact that we are on water will require a sediment pond to control run off during construction. Environment. Consulting Services & testing req'd.	\$44,000 \$25,000 \$15,000 \$30,000
9	Existing Driveway - upgrades req'd. A portion will require permits from Dept. of Environment to widen road at culvert. Driveway is 800m long	\$140,000	No existing Driveway - would have to construct to a parking area. 100 m long	\$25,000
10	Parking area - Min. req'mnt based on size of facility - 170 cars. Will req. approx. 40,000 - 50,000 sq. ft.	\$50,000	Parking area - Min. req'mnt based on size of facility - 170 cars. Will req. approx. 40,000 - 50,000 sq. ft.	\$50,000
11	3 Phase Power - must be brought to the site - Estimated Cost for NSPI + req'd grubbing & clearing of right of way & road & park. lot lighting	\$60,000 \$48,000	3 Phase Power runs by site - secondary line to be brought to site. Road & Parking Lot Lighting	\$10,000 \$12,000
12	Total Site Cost Waverley	\$588,500	Total Site Cost - Jefferson	\$339,000
Out Door Facilities				
13	Sportsfields & amenities can be accommodated. Est. for Design & Construction of Ballfield. 10 km Hiking trails exist on site.	\$900,000	Jefferson Site can accommodate passive recreation and hiking trails.	Future

DISTRICT 2 RECREATION CENTRE

Other Considerations:

Please Note: all estimates are based on information provided to HRM regarding the two properties. HRM staff have to make educated estimates in some cases which aid us in determining a construction budget.

Effect on existing traffic routes; sidewalks for pedestrian access; any road or sidewalk upgrades are not accommodated in the cost of this project.

	<u>Without Ballfield</u>		<u>With Ballfield</u>
	<u>Waverley</u>	<u>Jefferson</u>	<u>Waverley</u>
Cost			
Building	3,152,349.00	3,152,349.00	3,152,349.00
Site	588,500.00	339,000.00	1,488,500.00
Total Cost	<u>3,740,849.00</u>	<u>3,491,349.00</u>	<u>4,640,849.00</u>
Funding			
HRM	1,000,000.00	1,000,000.00	1,000,000.00
Area Rate (2.5 cents)	1,000,000.00	1,000,000.00	1,900,000.00
Provincial/Federal	1,750,000.00	1,500,000.00	1,750,000.00
	<u>3,750,000.00</u>	<u>3,500,000.00</u>	<u>4,650,000.00</u>

Required Area Rates

	<u>Without Ballfield</u>		<u>With Ballfield</u>
	<u>Waverley</u>	<u>Jefferson</u>	<u>Waverley</u>
With Prov/Fed Funding	\$ 0.025	\$ 0.025	\$ 0.048
Without Prov/Fed Funding	\$ 0.069	\$ 0.063	\$ 0.092

Duration of Area Rate: maximum 10 years.

Note: If we are not successful securing Federal and Provincial monies that portion must also be added to the area rate.

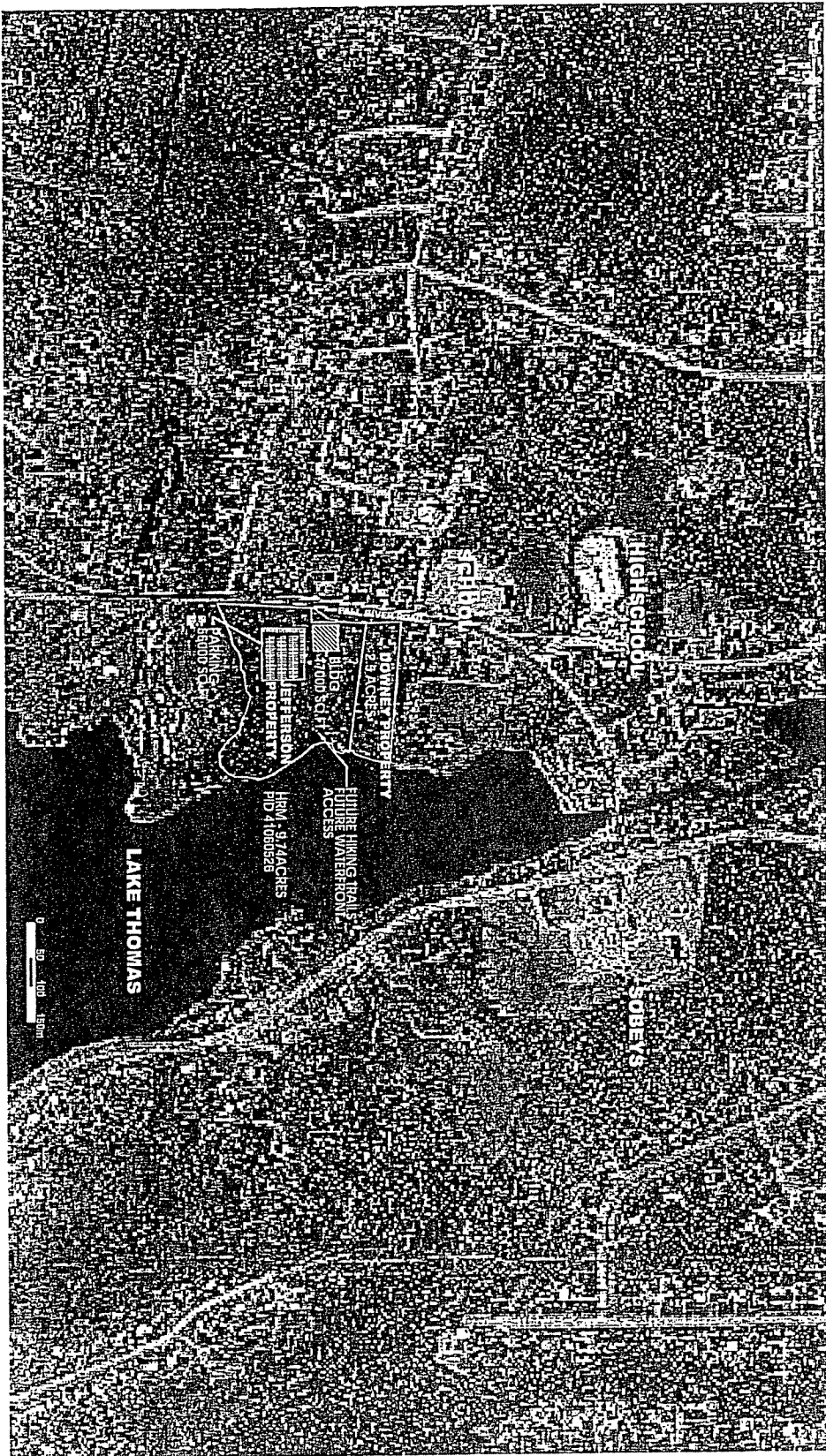
HRM funding over two years: 2004-05 and 2005-06.

With no Federal or Provincial funding, the annual cost per \$100,000 of assessment increases as follows:

Waverley Site: No		Jefferson Site:	No	
Ballfield	\$69.00	Ballfield	\$63.00	
With				
Ballfield	\$92.00			

If you have any questions or concerns they can be addressed at the Public Meeting or call Krista Snow, Councillor, District 2 at 860-1206 or 476-7206 or or call the HRM Call Centre at 490-4000. The Public Meeting is scheduled for: Wednesday, April 28, 2004 at 7:30 PM at the Waverley Legion Hall, 1166 Rocky Lake Drive

**JEFFERSON SITE
LOCATION: FALL RIVER ROAD**



NOTE:
THE PROPERTY LINES SHOWN ARE APPROXIMATE ONLY. SIZE AND LOCATION OF BUILDING AND PARKING ARE TO GIVE AN APPROXIMATE RELATIONSHIP OF THE SIZE OF THE FACILITY RELATIVE TO THE SIZE OF THE SITE.

MACDONALD PARK - WAVERLEY SITE

PLEASE NOTE THE PROPERTY LINE LOCATIONS; BUILDING AND PARKING SIZE AND LOCATION ARE APPROXIMATE ONLY. THIS IS TO GIVE A REFERENCE TO THE SITE SIZE AND COVERAGE.

