

# WTCC2

Setting the Context for a future  
decision of Regional Council

COW – October 19, 2010

# WTCC2

- On October 15 the Province formalized their request that HRM be a partner on the WTCC2 project.
- Further time for clarification and analysis of the request is required by HRM staff.
- Today's presentation simply provides Council with pertinent background and procedural information.
- No decision is sought today.

# HRM's Approach

1. Committee of the Whole - information presentation
2. Analysis of Requests from Province, including Federal participation - ongoing
3. Recommendations & Alternatives
4. Council Decision on provincial request

# Overview

1. Presentation Overview
2. General context: Urban Core Policies
3. Development Approval Process
4. Process for to-date for Partnership with Province
5. Project Technical Briefing
6. The Need for a New Convention Centre
7. Next Steps

**2.**

**General Context:  
Urban Core Policies**

# Importance of the Urban Core

*“Increasing economic prosperity in Halifax must be made a provincial and municipal priority.”*

-The Conference Board of Canada

*“...the prospects for Nova Scotia are now inextricably linked to the success of its largest urban area.”*

-Elizabeth Beale, The Premier's Economic Advisory Cmte.

*“Vibrant urban areas, with economic opportunities and services comparable to other Canadian cities, are essential to encourage young people and families to stay in this region.”*

- APEC Atlantic Report, Summer 2010

# Importance of the Urban Core

## HRM's Recognition of the “Economic Engine”

1. HRM Economic Strategy 2011-2016: “Downtown Core” is one of the five pillars of the draft strategy.
2. HRM Corporate Plan: “Economic Prosperity” is a major theme of the plan.
3. The Regional Plan, HRMbyDesign, Cultural Plan: Each of these emphasize improving the livability of the urban core as essential to economic health.
4. Capital Ideas: Specifically urges partnership with other levels of government to deliver public investments that will lead private sector investment. Also urges infill on vacant lots.

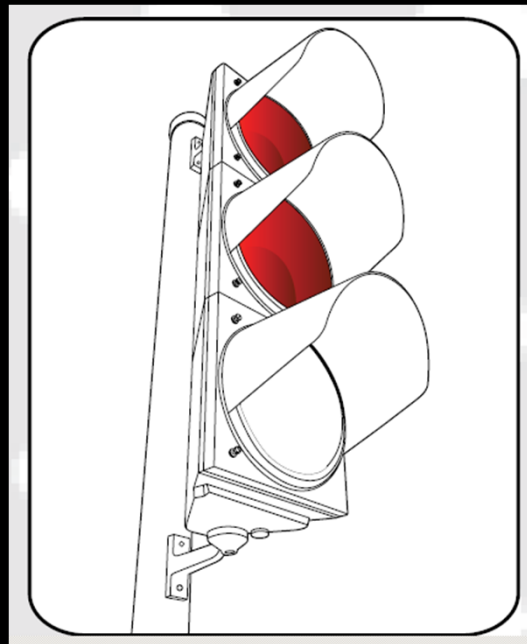
# Capital Ideas

- The Strategic Urban Partnership:  
HRM to work with other levels of government and key urban stakeholders to identify and execute strategic downtown investment projects that will lead to private investment.
- Intensification of Uses Downtown:  
HRM to become more sustainable by accommodating more people living and working downtown, where hard and soft infrastructure has been bought & paid for.
- Livability & Smart Growth:  
HRM to attract growth and visitors by improving the livability and beauty of downtown (streetscapes, vacant



# Lack of Public and Private Investment

- Red lights from the Halifax Chamber of Commerce 4 years in a row in the Public and Private investment category.



# Policy Snapshot

- In 2009 Council approved a new Plan and Bylaw for downtown Halifax



# WTCC2's Role Downtown

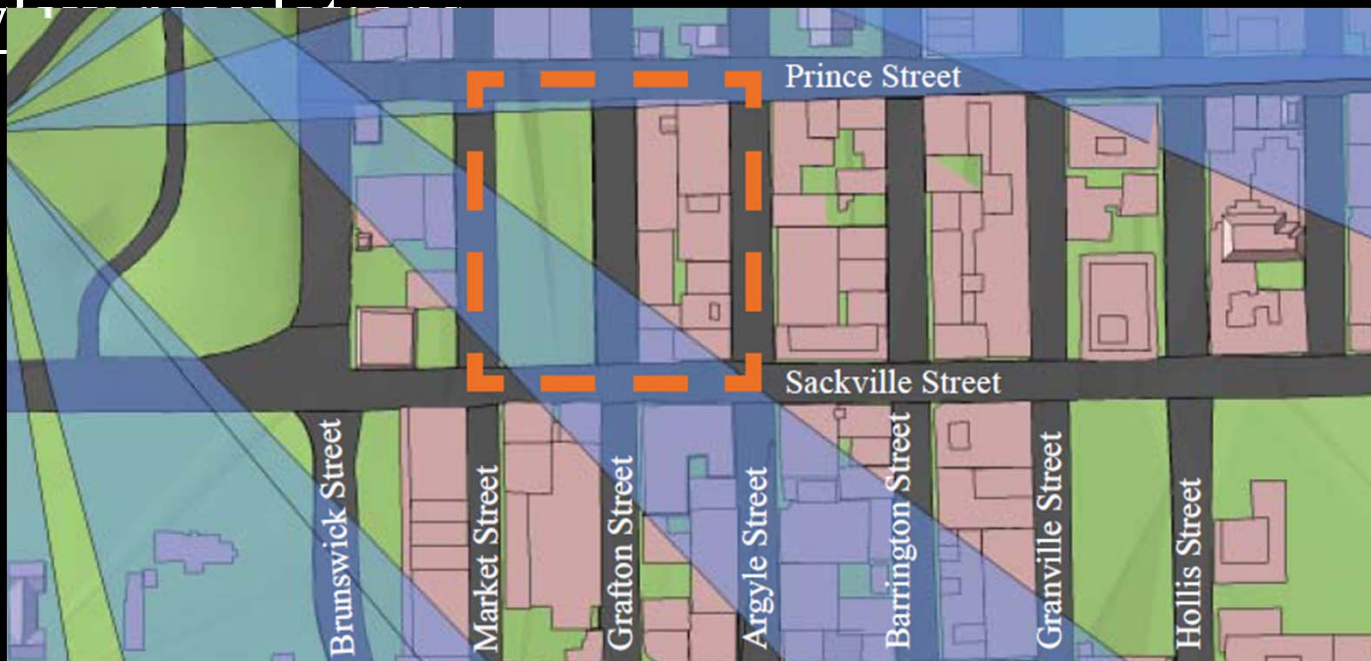
- WTCC2 massing accommodated under a policy seeking “*significant economic, social and cultural impact on downtown Halifax, the Province and the Region.*”
- What impact will the WTCC2 have?
  - Infilling two vacant central city blocks.
  - Streetscape improvements on 8 block frontages.
  - Meeting place for business, community & cultural events.
  - Reinforcing HRM as an international destination.
  - Tax revenues, job growth and spin-off economic activity.

# Policy Snapshot

- The Plan and Bylaw established maximum Building Envelopes for two separate future scenarios for development on the subject site.
- Building Envelopes for each scenario establish maximum building height, maximum streetwall height, maximum tower width, and upper story stepbacks.

# Policy Snapshot

- Both scenarios would be subject to rigorous review by the Development Officer and Design Review Cmte.
- Both scenarios would have to comply with the Viewplane, Rampart, Design Manual and Land Use Bylaws.



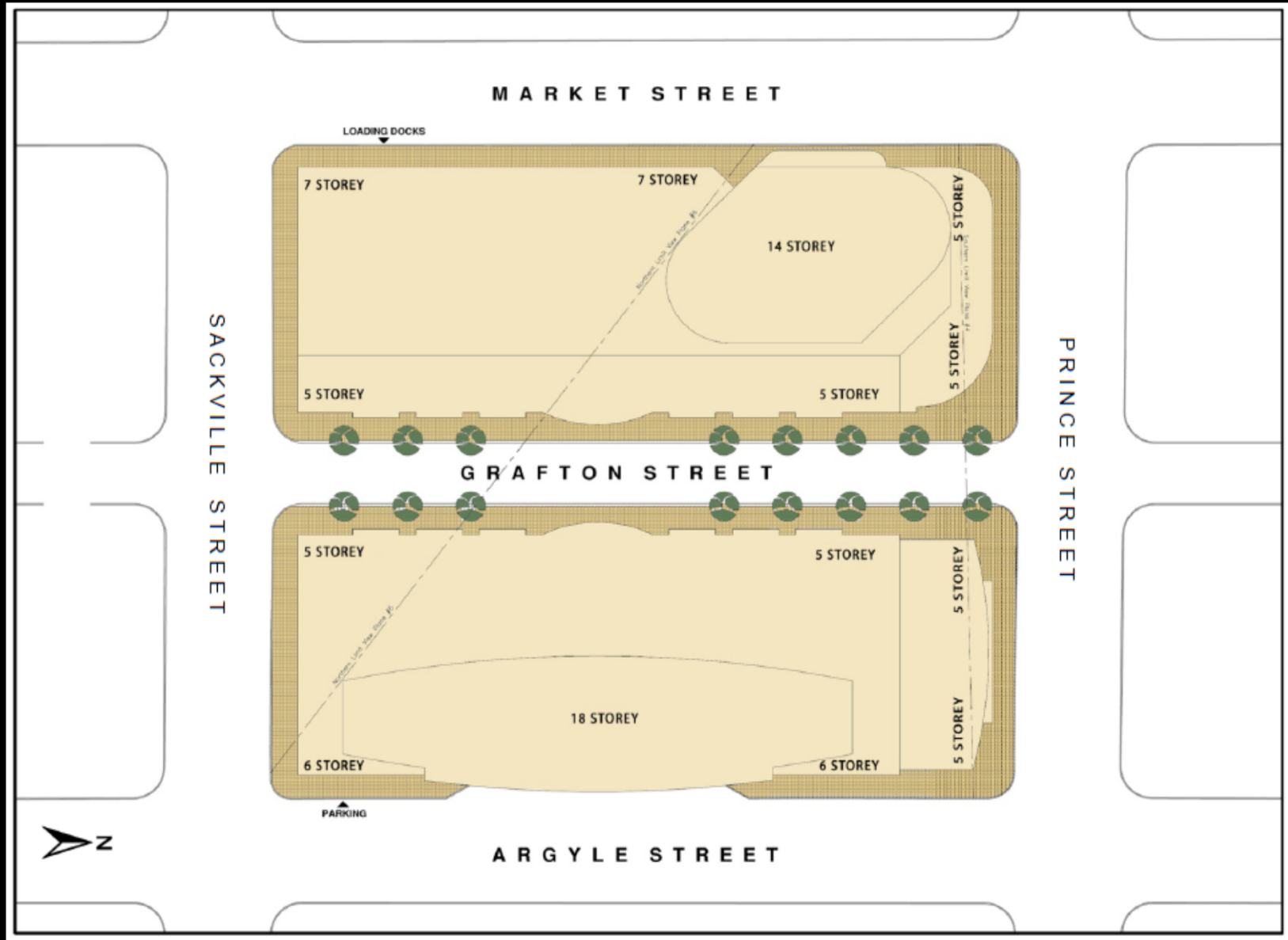
# Scenario 1

- The *first* scenario envisioned a typical private development proposal with no public sector involvement.
- On both the Herald and Midtown blocks would be permitted :  
Pre - bonus max. height = 22m (approx 6 stories)  
Post-bonus max. height = 28m (approx 8 stories)

## Scenario 2

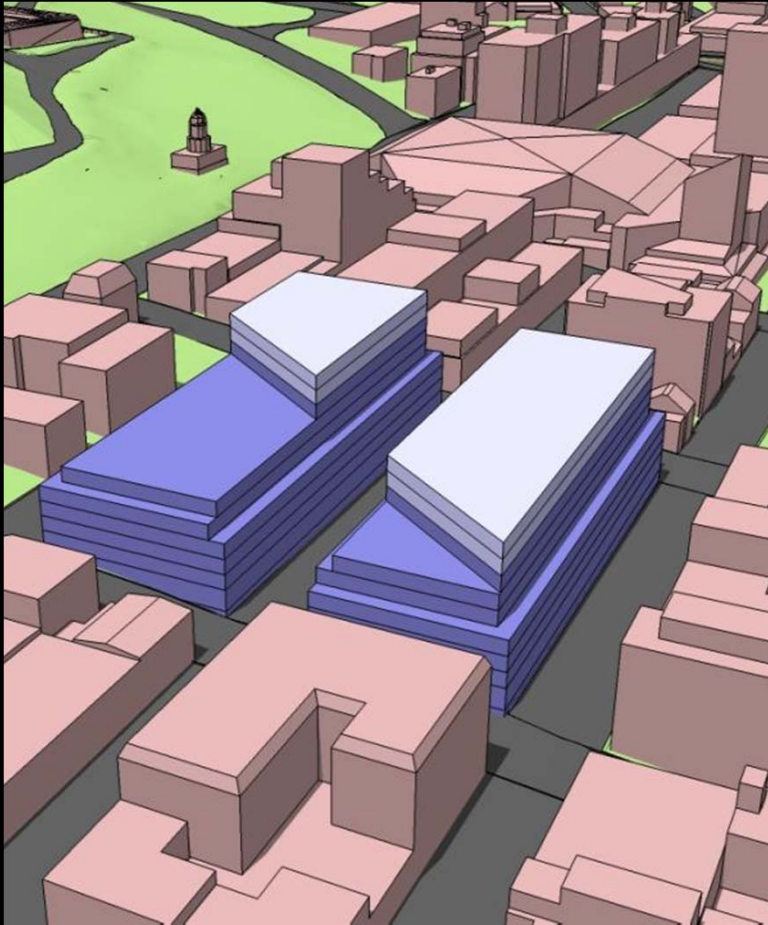
- The second scenario envisioned a development containing a new Convention Centre with public sector involvement, defined in policy as meaning *“funded or otherwise financially supported by any or all levels of government”*.
- On the Herald block would be permitted:  
An 18 story structure with a 5 to 6 story base.
- On the Midtown block would be permitted:  
A 14 story structure with a 5 to 7 story base.

# Scenario 2 (“Appendix B,” DHLUB)

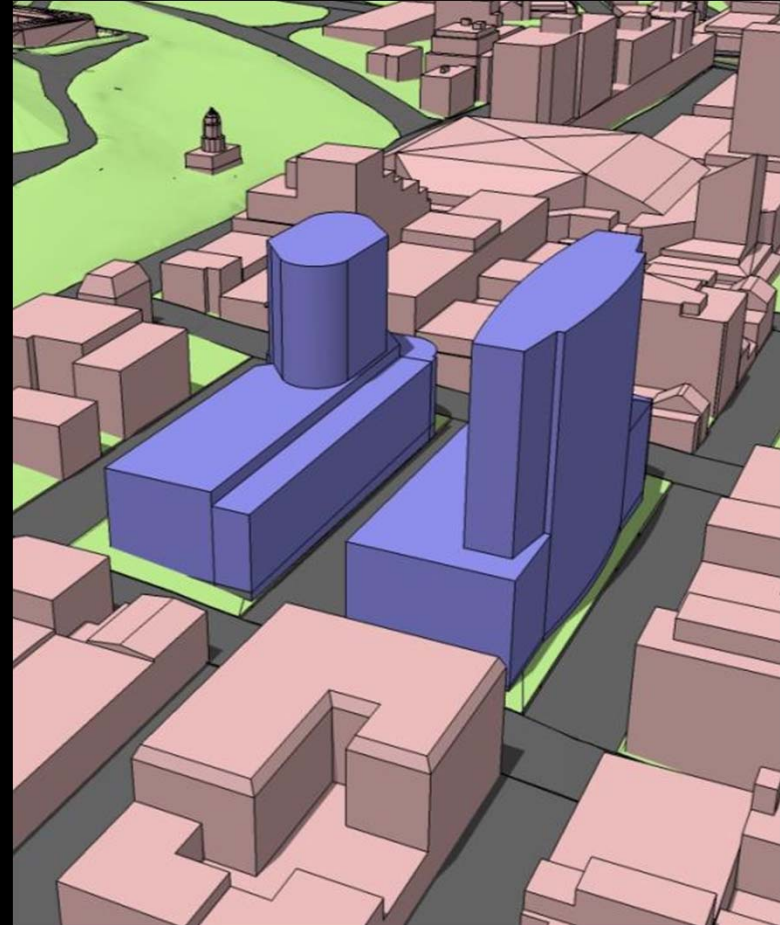




# Scenario Envelope Comparison



Scenario 1:  
Without Publically Funded WTCC2



Scenario 2:  
With Publically Funded WTCC2

# Why Scenario 2

- Council accommodated Scenario 2 at that time in recognition of the project's potential:  
*“significant economic, social and cultural impact on downtown Halifax, the Province and the Region.”*
- This accommodation was, and is, consistent with a large body of HRM policy and other external initiatives recognizing downtown Halifax as our Economic Engine.
- However, to fulfill the role of Economic Engine downtown Halifax requires significant public *and* private investment.

## Scenario 2: WTCC2

- Council's HRMbyDesign policy enabling Scenario 2 must not be construed as approval of either a *building project* or a *business partnership*.
- Rather it was approval of a *policy* establishing a generic building envelope to which 4 significant conditions apply:
  1. Public funding required
  2. Meet requirements of Viewplane and Rampart regulations.
  3. Meet requirements of Design Manual & Land Use Bylaw
  4. Approval by Development Officer & Design Review Cmte.

**3.**

**Development Approval  
Process**

# The Approval Process

- Building Project approval process separate from partnership agreement.
- Two components to building project approval:
  1. Site Plan Review
  2. Street Encroachment Agreement

# Site Plan Approval Process

1. Pre-Application: Detailed review & comment by staff.
2. Public consultation: Open house, web site, kiosks.
3. Official Application: Staff review and recommendation to Design Review Cmte.
4. Decision: Development Officer + Design Review Committee, Notification.
5. Potential Appeal: To Regional Council.

# 1. Pre-application

- Purpose:
  - Provide **comments** prior to formal application
  - Identify formal **submission** requirements
  - Understanding of **issues**
  - **Written comments**
  - Authority to **proceed** with public consultation

## 2. Public Consultation

- Undertaken by developer:
  - **after** pre-application but **prior** to formal application
- 3 methods:
  - Public meeting / open house  
(sign at property & newspaper ad)
  - Information kiosks at three public locations
  - Project website / online forum



# 3. Official Application

- Development Officer:
  - Quantitative elements (height, mass, setbacks, etc.).
- Design Review Committee:
  - Qualitative elements (design, variance requests, etc.).

## 4. Decision

- Development Officer's decision on quantitative elements not appealable.
- Design Review Committee makes decision within 60 days of complete application.
- Notification: Assessed property-owners within the Downtown Plan Area + 30m receive notification that application has been made.
- DRC decision on qualitative elements appealable to Regional Council.

## 4. Decision

**Must meet requirements of:**

- Viewplane protections
- Ramparts bylaw.
- Downtown Halifax Design Manual
- Downtown Halifax Land Use Bylaw

## 5. Potential Appeal

- 14 days to appeal from date of decision.
- Council hearing to uphold or overturn *qualitative* elements only. No appeal of *quantitative* elements.
- Who can appeal:
  - Assessed property-owners within the Downtown Plan Area + 30m, or applicant.
- If appealed:
  - hearing at Council to uphold or overturn Committee decision.
- If no appeal, Development Officer issues Development Permit.

# Street Encroachment Approval

- Concept:
  - Partial pedestrianization of Grafton Street between Sackville and Prince streets
  - Agreement to include streetscape improvements to abutting streets
  - Further analysis of proposal is ongoing
- Separate decision of council
- Details to follow from ongoing analysis of partnership request from Province.

**4.**

**Process to-date for Partnership  
with Province**

# Process Timeline

- Nov. '04  
TCL staff begin investigations into WTCC expansion and MCII
- July '05  
Council approves partnering with PNS and ACOA to study WTCC expansion and Metro Centre II
- Oct, '05 - Jun, '06  
“WTCC Expansion and Metro Centre II Feasibility Study” completed.
- July 06 - Mar '07  
Feasibility Study examined. No action taken.

# Process Timeline

- Mar – Dec, '08  
EOI issued by PNS and HRM for new WTCC facility
- Jan – Apr, '09  
Criterion Communications Inc. and HLT Advisory Inc. investigate market opportunities for expanded
  - Rank Inc. short listed as only viable proponent.
  - PNS engage Deloitte Canada to prepare business case, assist in developing RFP and develop shadow



# Process Timeline

- May – Jul, 09

Municipality and Province enter into a Memorandum of Understanding agreeing to work together to undertake due diligence and obtain all approvals and consents necessary to have a new facility constructed.

- Province issues Stage I RFP to Rank Inc. June 29, Stage 1 RFP deadline extended to November 2.

# Process Timeline

- Aug – Dec, 09

PNS engage Gardiner Pinfold Consulting Economists Ltd. to undertake economic impact assessment for a new WTCC

- Rank meets Stage 1 requirements.
- Stage 2 RFP issued to Rank Inc. on October 1

- Jan – Jul, 2010

Stage 2 deadline extended from February 5 to July 19.

- Evaluation teams comprising PNS, HRM and TCL staff established to review detailed aspects of Rank's proposal.

# Process Timeline

- Aug – Sept, 2010  
Evaluation of Rank Inc's RFP
- Oct 2010  
PNS endorses new WTCC proposal

**5.**

# **Project Technical Briefing**

# Project Description

- Increased capacity and flexibility
- Three times the size of the existing center
- Multi level facility
- 115,000 sq feet of rentable convention space including
  - 35,500 sq feet of column free ballroom space
  - 52,000 sq feet of multi purpose space
  - 28,000 sq feet meeting room space
- 51,000 sq feet reception space (pre-function)

# Project Description

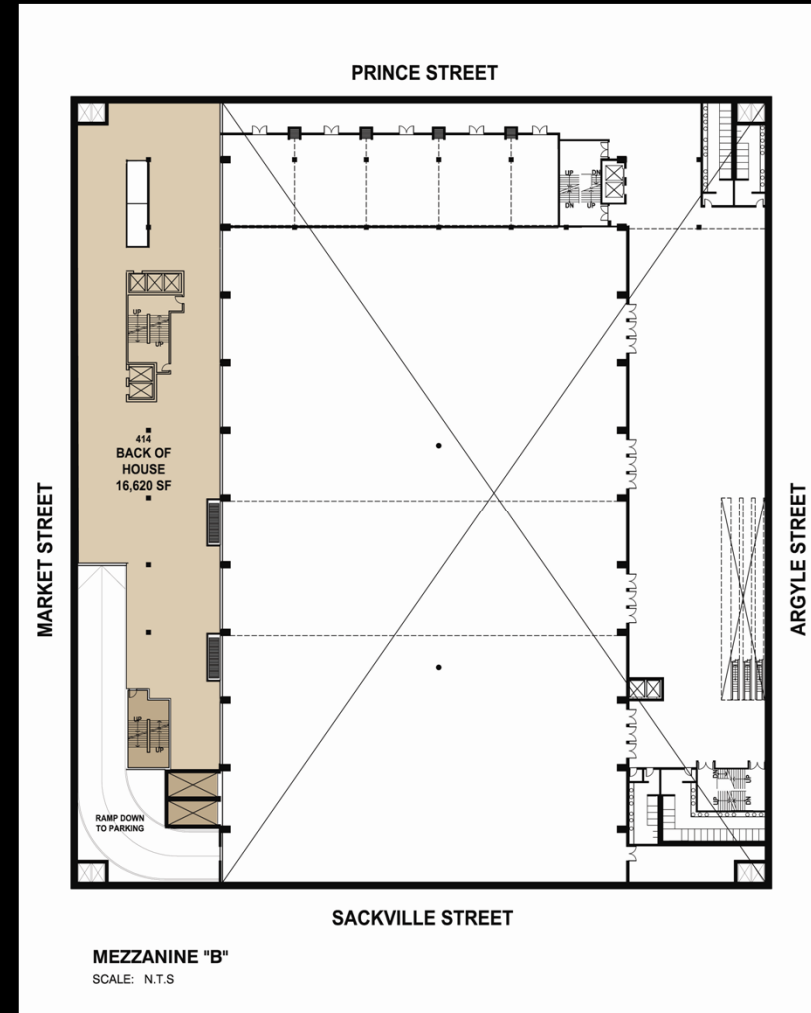
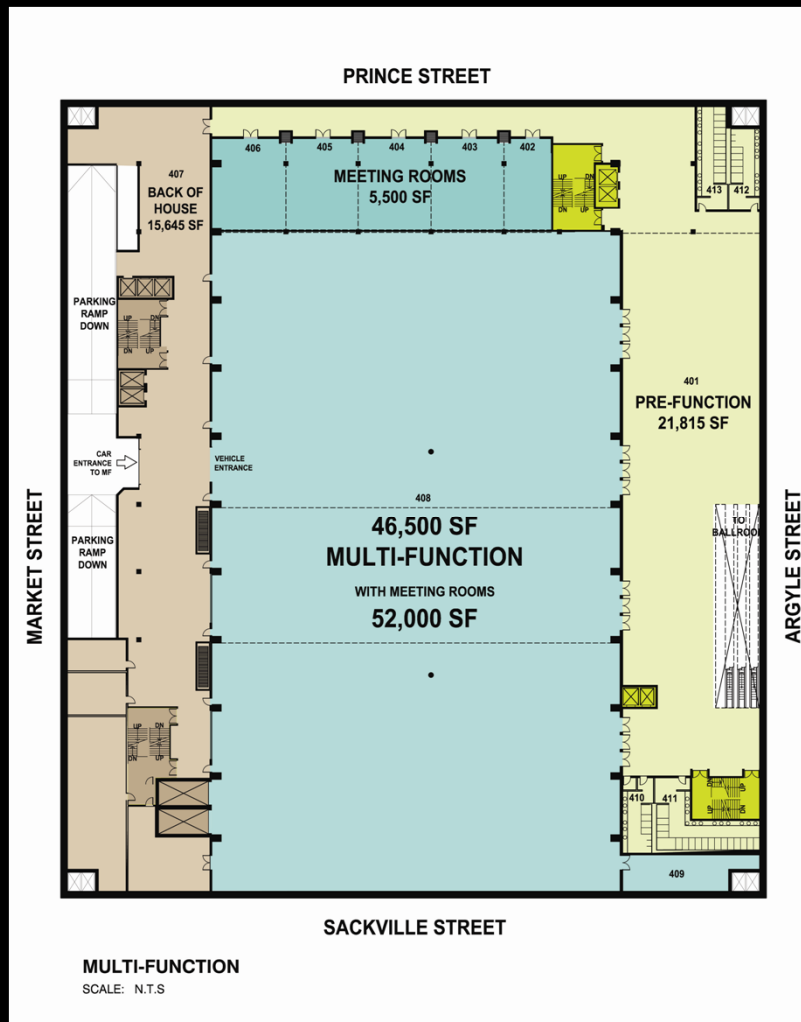
- 24 meeting/break out rooms that can be reconfigured
- Reception areas suitable for 2,000
- 4 star facility
- Gold Standard of Leadership in Energy and Environmental Design (i.e., LEED Gold)

# Development Concept



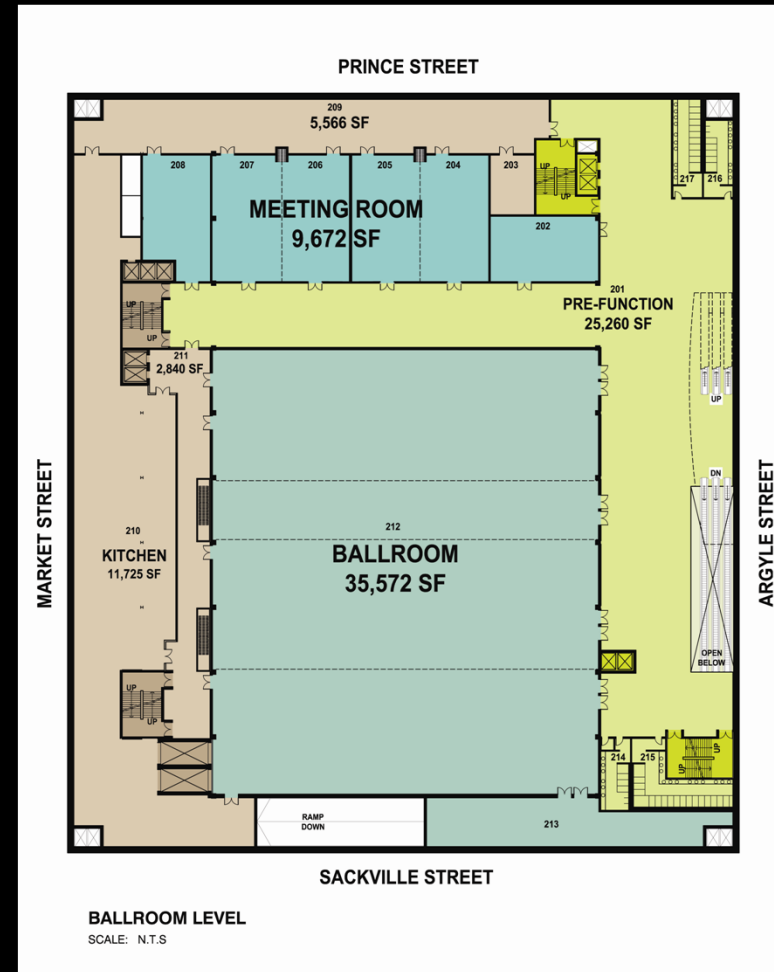
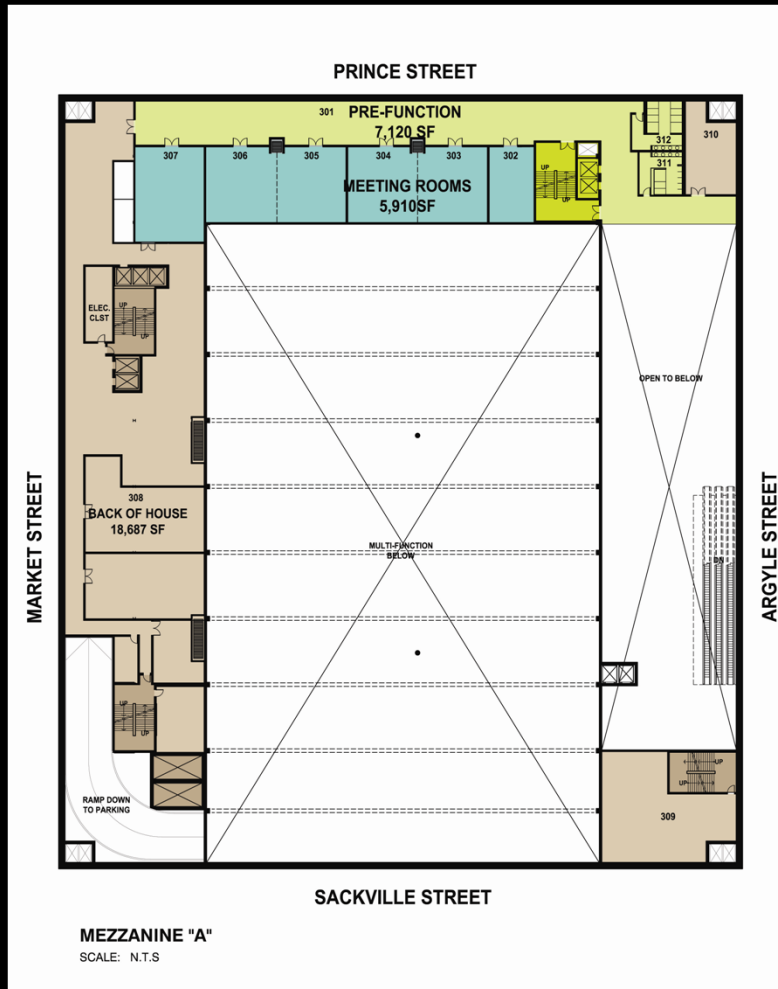
**Proposed Convention  
Centre**

# Floor Plans

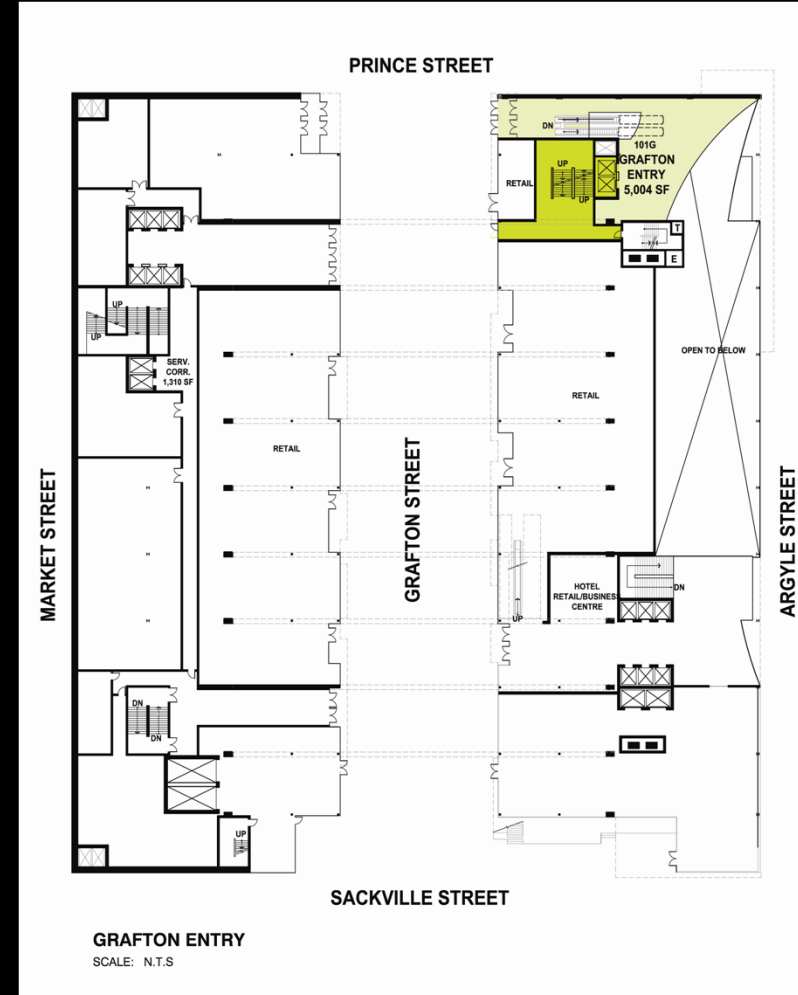
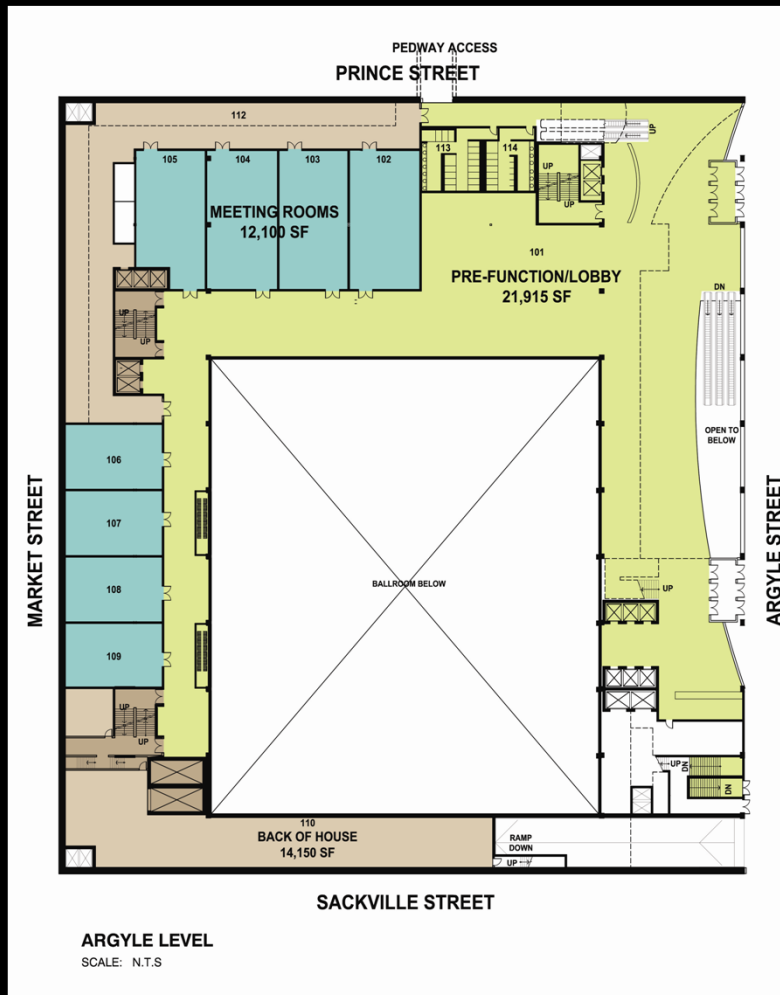




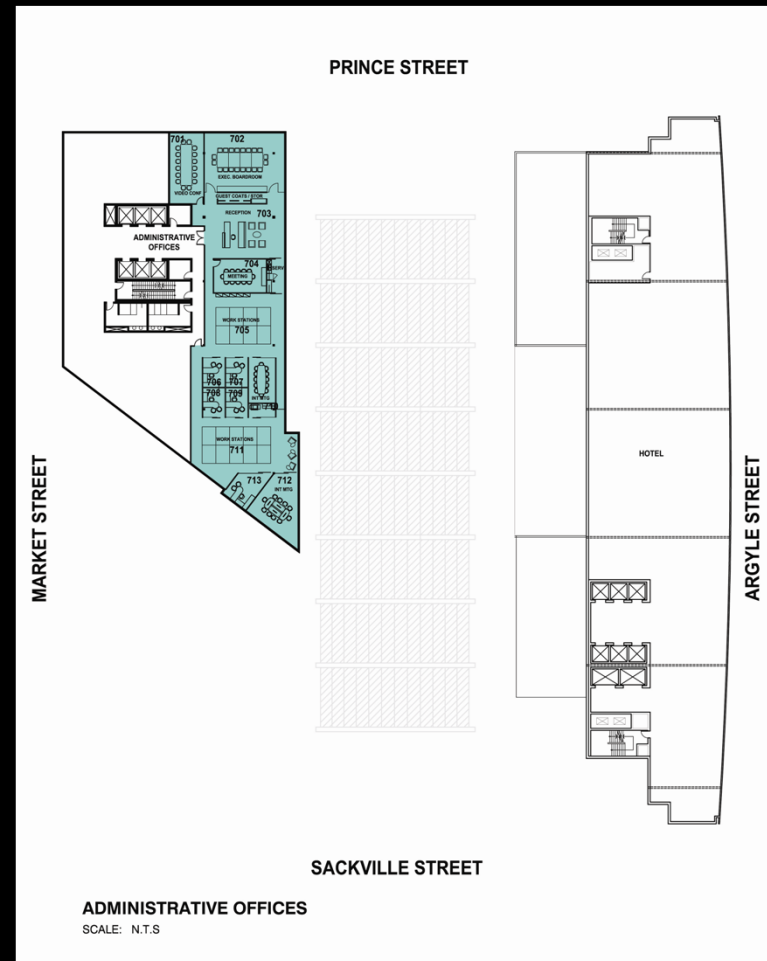
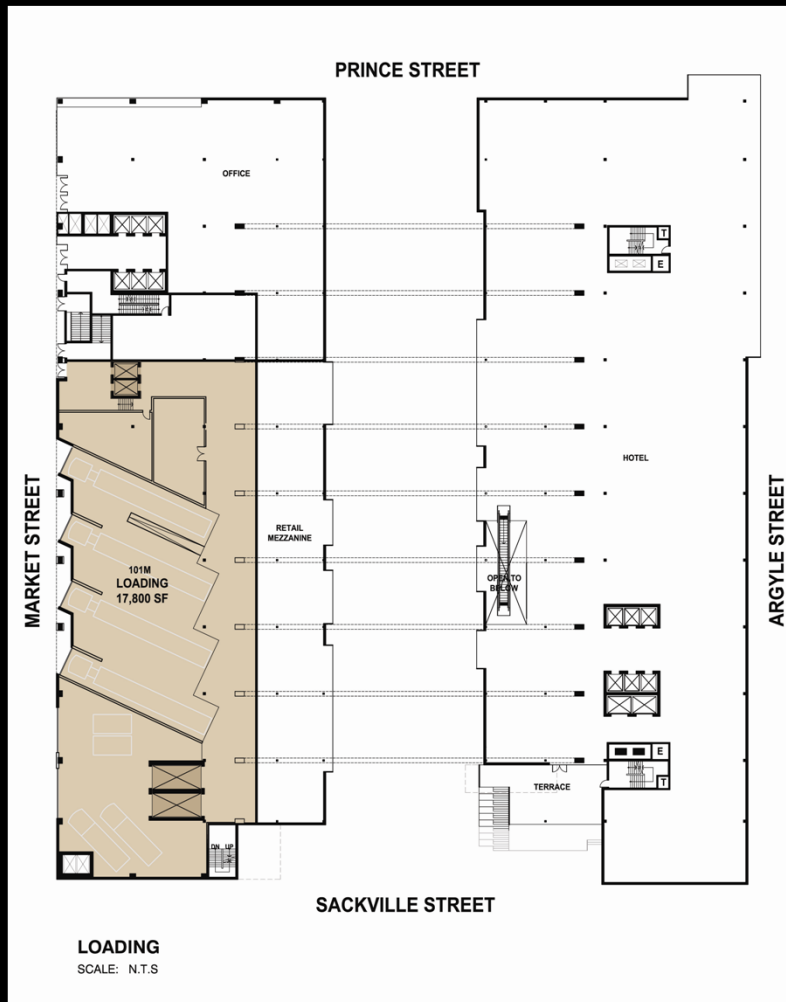
# Floor Plans



# Floor Plans



# Floor Plans



# Construction Team & Schedule

- Rank Developments Inc – Lead
  - Noel Fowler - Architect
  - Ellis Don – Construction
  - Honeywell – Facility Maintenance and Operations
- Schedule
  - Contract Signed January 14, 2011
  - Financial Close February 28, 2011
  - Excavation Start March 1, 2011
  - Construction Ends December 31, 2014
  - Operations Begin January 1, 2015

**6.**

**The Need for a new  
Convention Centre**

# Industry Overview – Canadian Snapshot

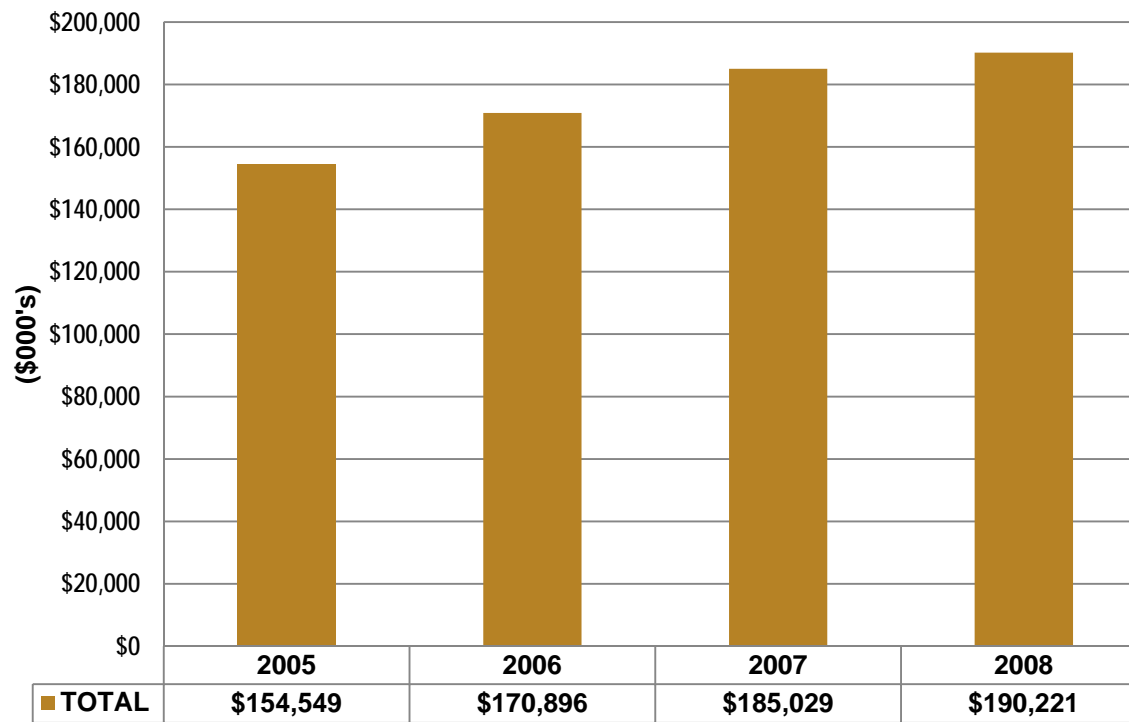
**Canadian meetings & conventions industry is a strong economic contributor:**

- Generated more than \$71 billion/year industry output
- Produced more than 673,000 meetings/year
- Generated more than \$14 billion in annual tax revenue
- Created equivalent of over 550,000 full-year jobs

# Industry Overview – Canadian Snapshot

Canadian industry shows consistent revenue growth  
Total revenues grew by approximately 24% between '05-  
'08

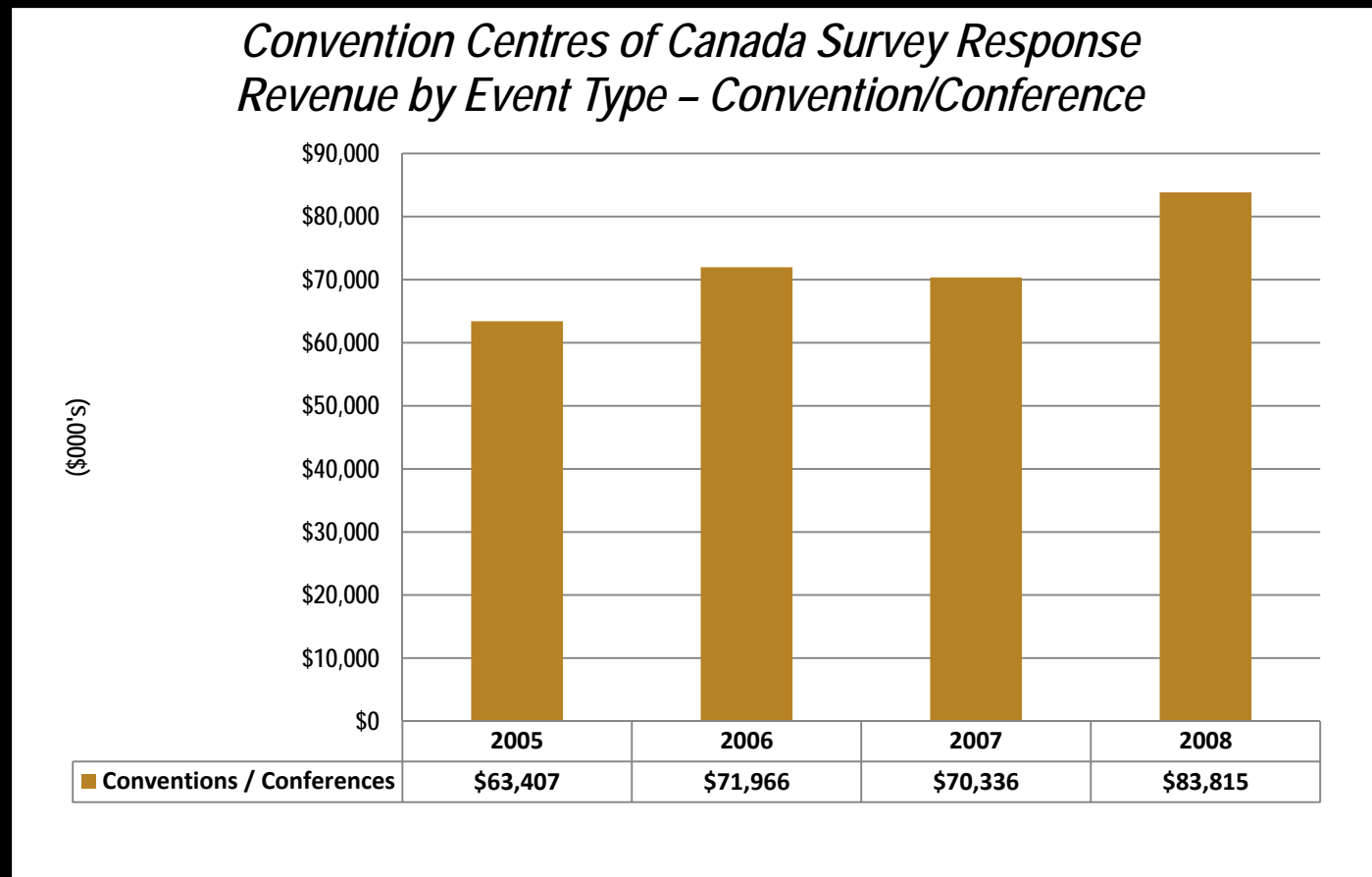
*Convention Centres of Canada Survey Response  
Total Revenue – All Event Types*



# Industry Overview – Canadian Snapshot

Canadian industry shows consistent revenue growth

Revenues for convention segment grew by approx. 32% between '05-'08





# Industry Overview – Competitive Environment

Canadian growth has been strategic and stable, 13 of 20 convention centres in Canada renovating/expanding

In Atlantic Canada: new Fredericton Convention Centre, expansion of Moncton Coliseum, proposed Charlottetown Convention Centre & proposed St. John's expansion

55% of current WTCC does not meet industry standards

JDA Architects assessment confirms current footprint can't accommodate proposed expansion

- Even with major renovations, can't accommodate RFP specifications on current site
- Demolishing current site & rebuilding would only accommodate two-thirds of rentable space outlined in RFP

# Industry Overview – WTCC Business Mix

Current event & market mix is diverse, includes 4 geographic based market segments:

- Local
- Regional (association & corporate)
- National (association & corporate)
- International

National & international clients contribute most significant economic impact :

- National delegate spend \$1,630/visit
- International delegate spend \$1,041/visit
- One conference of 1,000 can inject \$1 million in new spending into provincial economy

Local, provincial & regional clients important revenue contributor

# Future Potential – Projected Business & Impacts

Appropriate size of facility & size of rooms are primary factors when *event planners* select a destination

Without the appropriate facility the destination is not a consideration

A new facility with larger more flexible space allows for growth through:

1. Hosting more concurrent small & mid-size events
2. Hosting larger events of up to 3,000 attendees
3. Ability to attract more national & international events
4. Growth in attendance at consumer shows

# Future Potential – Market Validation

## National Corporate

- Facility & amenities drive choice for national corporate planners, current WTCC not a viable option
- 88% of national corporate event planners, representing a total of 189 clients, would consider Halifax with a new convention facility (Thinkwell Research)

## National Association

- National association market mandated to meet annually
- 625 national associations with eastern rotation pattern, roughly 200 events rotate east annually
- 75% of national association customers would consider Halifax with a new convention facility (Thinkwell Research)

## International

- Not a mature market, Canada's share grew from 132 events in 1999 to 231 events in 2008, roughly 5% per year which is expected to continue
- Projecting WTCC market share of the Canadian share of the international market to grow from 3.5% (in base) to 6.5% in year 10 of operations
- With new facility, over 1,400 international conferences available to Halifax with estimated attendance over one million delegates (GRAIN)

# Future Potential – Strong Customer Interest

June 2007-June 2010 Lost Business
80 conferences
\$10 million in WTCC lost revenue
Over 75,000 delegates
129,000 room nights
\$108 million in direct expenditures

Reasons cited by clients: Space functionality/suitability, ability to host concurrently (availability of specified date), value of price for space available or all amenities under one roof / no adjoining hotel

1/3 of lost events had projected attendance 1,000 or over

87% of lost/cancelled business are likely to host at new facility *(Thinkwell)*

# Future Potential – Strong Customer Interest

*Customers on-record that require new facility to select Halifax*

## National

Canadian College of Health Services Executives – National Healthcare Leadership Conference

Canadian Golf Superintendents Association

Canadian Historical Association

Canadian Library Association

Canadian Ophthalmological Conference

CTC Communications Corporation

Investors Group

Manulife Financial

## International

American Association of Neuromuscular & Electrodiagnostic Medicine

International Bridge, Tunnel & Turnpike Association

International Foundation of Employee Benefit Plans

International Society for Pharmacoepidemiology

Medical Library Association

Orthopaedic Trauma Association

Royal College of Physicians & Surgeons of Canada – International Conference on Residency Education

Tennis Canada – ITF World Wide Coaches Conference

World Council of Credit Unions

**7.**

**Next Steps**

# Summary of Information To-Date

1. Urban Core investment.
2. WTCC2 fits this need.
3. HRM involved since July 2005.
4. Current Convention Centre not meeting need.
5. Separate processes for approval and partnership.



# The Provincial Request

1. Received Friday, October 15, 2010.
2. HRM is to be an equal partner – funding and annual deficit.
3. Request to Federal Government for  $1/3 = \$47$  million.
4. 25 year Lease.
5. Public sector entity to run Convention Centre.
6. Competency-based Board of Directors jointly appointed.
7. Negotiations with developer led by Province.
8. Decision required on existing trade centre.
9. Province exempt from property tax on CC portion.

# Next Steps

1. Understand the “ask.”
2. Consider the analysis:
  - Business Case
  - Economic Impacts
  - Financial Tests
3. Council Direction/Decision.