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PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
January 31, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Mike Labrecque", written over a horizontal line.

Mike Labrecque, P.Eng., Director, Transportation & Public Works

DATE: January 25, 2006

SUBJECT: Application for Funding - Halifax Inland Terminal Plan

INFORMATION REPORT

ORIGIN

Staff

BACKGROUND

In May 2004, HRM and the Halifax Port Authority (HPA) jointly submitted a funding proposal under the Transportation Planning and Modal Integration Initiatives Program (TPMI) to complete a project called the Halifax Trucking Options Study. Funding was awarded under the program in October and the project was started in February 2005 by Marinova Consulting Ltd. The study is now complete and expected to be tabled with the Regional Planning Committee on February 15, 2006.

DISCUSSION

The Halifax Trucking Options Study developed a reasonably sound business case for the construction of a Halifax Inland Terminal. Following a thorough assessment of several potential sites, a location on Rocky Lake Drive at the quarry owned by Municipal Contracting Ltd. was recommended.

The value of having an Inland Terminal is that it would result in nearly all of the containers arriving at the Port of Halifax being loaded directly to rail cars. Containers that are to be transported to their ultimate destination by truck would be placed on a train that would shuttle the container to the inland terminal at which point it would be loaded to truck. The study determined that the additional cost of transferring a container from rail to truck is approximately offset by the savings in truck travel time not having to contend with city traffic reaching the port. HPA stands to benefit by being able to store containers at a location where land costs and ability to expand are much more favourable than on the harbour waterfront. The benefit for HRM is the removal of a significant volume of truck traffic from the urban core.

A new round of funding under the TPMI Program is now available with a deadline for applications of February 1, 2006. Discussions between HRM, HPA, CN and Municipal Enterprises Ltd. have indicated an interest in partnering on a Halifax Inland Terminal Plan and applying for funding under the TPMI Program. The Halifax Inland Terminal Plan would build on the Trucking Options Study and concentrate on development issues associated with the Rocky Lake site. The three key tasks would be creation of a functional site development plan, refinement of the business and operating plan, and assessment of potential environmental and social risks.

Although it would have been preferable to have had the initial study tabled with the Regional Planning Committee prior to the submission of application for further work, a delay in finalizing the report and scheduling of the committee meetings did not allow for this. If concerns are identified by the Regional Planning Committee during the tabling of the document, it will be possible for HRM to withdraw the application in full, or for HRM to remove its name as one of the four applicants. Our partners have been made aware of this possibility and have agreed to it.

BUDGET IMPLICATIONS

The Halifax Inland Terminal Plan would have a budget of \$112,000. The application for funding will propose that Transport Canada fund 50% of the project and that the four local partners would fund 12.5% (or \$14,000) each.

If funding under the program is granted, HRM's portion is proposed to come from capital account CDE00105 Regional Planning. If funding under the program is not granted, the four local partners will consider whether to proceed with the project alone. If this were to be the case, staff would seek the approval of Regional Council for the new funding arrangement.

Budget Summary:

Capital Account CDE00105, Regional Planning Projects

Cumulative Unspent Budget	\$740,885.00
Cost Breakdown:	
50% Transport Canada	56,000.00
12.5% Halifax Port Authority	14,000.00
12.5% C.N.	14,000.00
12.5% Municipal Enterprises	14,000.00
12.5% H.R.M. net cost	<u>14,000.00</u>
Remaining Uncommitted Funds	\$628,885.00

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

There are no recommended alternatives.

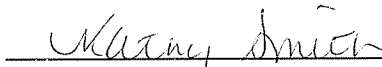
A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by:



Dave McCusker, P.Eng., Manager, Regional Transportation Planning

Financial Review:



Kathy Smith, Financial Consultant, 490-6153