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Halifax Regional Council
June 13, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

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

Dan English, Chief Administrative Officer

DATE: June 9, 2006

SUBJECT: Canada Strategic Infrastructure Fund - Update

INFORMATION REPORT

ORIGIN

The Canada Strategic Infrastructure Fund (CSIF), announced in the 2001 Federal Budget, responds to the need for funding of large scale infrastructure projects that are beyond the scope and capacity of existing programs. Re-investment was announced in 2003 and most recently the 2006 Federal Budget. In fact, the 2006 Federal Budget announced an additional \$1.18 billion nationally for the program.

BACKGROUND

Although Program details and project eligibility have not been articulated to date, under the last CSIF investment, funds were allocated per capita to the Provinces, and it can be expected this will remain. As well, projects considered for funding under this program have had to be of significant magnitude and meet specific Federal outcome criteria. Total eligible project costs of \$25 million has been a requirement. This ensured that funded projects were large-scale and strategic within the context of the province or territory in which they are housed. Federal outcome requirements have included:

- Safer and faster movement of people and goods on Canada's major land transportation routes
- Reduced production of greenhouse gases and airborne pollutants.
- More-effective urban development.
- Increased economic activity including tourism.
- Use of innovative technologies and practices to minimize green house gas emissions.

In HRM, the Harbour Solutions Project received funding through the Canada Strategic Infrastructure Fund (totalling \$60m). The only project funded by CSIF in HRM to date. Other projects funded through CSIF in Nova Scotia have mainly included highway projects.

CSIF emphasizes partnerships with any combination of municipal, provincial, territorial governments, as well as the private sector, and each partnership is governed by specifically tailored arrangements. Investments are directed to large-scale projects of national and regional significance and costs are generally shared between the three levels of government. Investments are made in areas that are vital to sustaining economic growth and supporting an enhanced quality of life for Canadians.

DISCUSSION

HRM staff, in anticipation of additional CSIF investment being made available have prepared project briefs on two potential initiatives for CSIF consideration. The intent is to provide other government colleagues a brief on projects of priority to HRM such that as Program details are finalized, HRM projects are familiar and understood. The projects outlined are based on selected HRM priorities (as understood based on various discussions with Council via Council Focus Area discussions) that would appear to meet potential CSIF criteria. As actual Program detail and criteria is known, staff will continue to review the appropriateness of projects for consideration.

HarbourLink

The Halifax HarbourLink project (beginning with a fast ferry route from Mill Cove, Bedford to downtown Halifax) is one component of HRM's long term transportation infrastructure plan. Transportation needs and planning are being examined in a holistic manner. HRM is focussed on resolving transportation challenges and accommodating new traffic demands in an environmentally sustainable manner. It is based on a strong public need and a business case to support the service.

In particular, the HarbourLink Project supports a strategic approach to linking future settlement patterns with transportation investment. Conservative projections suggest that HRM will continue to have constant population growth of about 1% per year over the next 20 years. We currently do not have the road capacity to handle this growth, and it would not be fiscally realistic, environmentally sustainable or socially acceptable to continue widening roads and building new ones. From a social perspective, our inability to add road capacity has meant unacceptable levels of traffic intrusion on streets that were not designed to handle it. An investment in fast ferries is very much a strategic decision. As more people, residents and tourists, are moving around within the region, using the readily available harbour is the most attainable and sustainable approach. Initial projections have indicated that our growth strategy combined with our transit investment (of which HarbourLink is a key component) will reduce greenhouse gas emissions by 10% and reduce our capital costs for roadway network expansion by \$140 million over the next twenty-five years. The HarbourLink project is part of a broad strategy (including Bus Rapid Transit) to alleviate traffic congestion in an environmentally and economically sustainable way.

Estimated total capital cost: \$25-29 million.

Stormwater/wastewater

HRM is facing massive shortfalls in funding to maintain regulatory compliance for its existing stormwater and wastewater systems. An estimated \$600M will be required over the next 25 years to regain and maintain compliance with current regulations. This equates to approximately \$24M per year (compared to a current budget of approximately \$4m). This is outside of additional infrastructure needs to support growth and the Harbour Solutions project. The replacement value of existing infrastructure is estimated to be about \$1.1 billion. HRM's wastewater and stormwater systems are in a critical state of disrepair. The following stormwater/wastewater projects are being suggested for CSIF consideration (should they be eligible). As discussion progresses, these projects may be revised or repackaged to suggest a more comprehensive project:

- Eastern Passage Water Pollution Control Plant Expansion - \$30m est.
- North West Arm Sewer - \$10m est.
- Freshwater Brook Sewer - \$5m est.
- Bedford/Sackville Trunk Sewer - \$15-20m est.

As the CSIF process generally begins through discussions and agreement between Municipal, Provincial and Federal Administrators, the preceding background information has been used to initiate conversations with Federal and Provincial colleagues. As Program details are finalized and potential impacts to HRM are known, staff will provide more information to Council, and seek formal approval of projects for application. Staff will proceed along these lines unless otherwise directed.

BUDGET IMPLICATIONS

None.

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

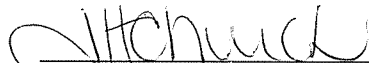
None.

ATTACHMENTS

None.

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.

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