

**Item No.**  
**Executive Standing Committee**  
**April 28, 2014**

**TO:** Chair and Members of the Executive Standing Committee

Original Signed

**SUBMITTED BY:** Richard Butts, Chief Administrative Officer

**DATE:** March 25, 2014

**SUBJECT:** Cogswell Lands Plan

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**ORIGIN**

Downtown Halifax Secondary Municipal Planning Strategy (DHSMPS) Policy 50; HRM shall consider undertaking a Cogswell Interchange Functional Plan as a priority to ensure the future use and urban design of these lands.

At the January 12, 2009, meeting of Halifax Regional Council the following motion was approved;

HRM Regional Council

- 1) approve the issuance of an RFP for consulting services to produce a detailed master plan for the removal and re-design of the Cogswell Interchange; and
- 2) instruct staff to explore the establishment of reserve Capital funding to offset future costs related to the maintenance and/or demolition and redesign of the Cogswell Interchange.

**LEGISLATIVE AUTHORITY**

Halifax Regional Municipality Charter, Section.61, Powers of the Municipality regarding property; Section 63 Sale or lease of municipal property; Section 233 Acquisition of land for development; and Administrative Order 50; Disposal of Surplus Real Property.

**Recommendations on Page 2**

## **RECOMMENDATION**

It is recommended that Halifax Regional Council:

- 1 Approve The Cogswell Lands Plan as the guiding document for the next stage of work for the removal and re-design of the Cogswell Interchange.
- 2 Approve the functional road network as proposed in the Cogswell Lands Plan.
- 3 Direct staff to initiate the following work and return to Council as required:
  - a) Communicate the Cogswell Lands Plan, as approved, to the public, adjacent landowners and future developers through the municipal website, individual meetings and a public open house held in conjunction with the Strategic Urban Partnership.
  - b) Proceed with the Detailed Design for the demolition and redevelopment of the Cogswell Interchange including issuing Requests For Proposals to retain necessary expertise.
  - c) Enter into negotiations for land acquisitions required to advance the Cogswell redevelopment.
  - d) Prepare a financial plan for the demolition and redevelopment of the Cogswell Interchange.
  - e) Commence preparations for Municipal Planning Strategy /Land Use By-law amendments and necessary street closures as per the HRM Charter.

## **BACKGROUND**

The demolition of the Cogswell Interchange has been a subject of public discussion since it was built as part of the Harbour Drive transportation plan in 1971. The Harbour Drive Plan was abruptly cancelled in 1971 leaving the completed Interchange as an underutilized reminder of a different approach to the downtown development. A regular subject in the Environmental Design Studio at the Nova Scotia College of Design, students generated hundreds of design ideas around rethinking of the area. However, removal was not a top priority as the public and Municipality were focused on other matters and the interchange was in the first half of its expected lifespan. In 1995 the Cogswell Interchange was the attention of a Student Planning and Architecture Conference sponsored by the Downtown Halifax Business Commission. The public conversation continued over the next decade with a series of visioning exercises and high level meetings, some involving the municipality. The focus at this time was “should the interchange come down” and “what might it be replaced with”. Ideas included commercial office towers, public facilities such as stadiums, Metro-Centre II, Commonwealth Games Facilities, large parks among others. Equally, constraints and challenges were also brought forward. These challenges included steep grades, existing infrastructure, missing streets, appropriate urban development and building height, traffic accommodation, road alignment and cost.

HRM conducted several studies between 1999 and 2006 related to the Cogswell Interchange. Each of these studies explored a specific challenge, including traffic, road layout, finances, and best practice examples from other cities. While they were forward in their thinking, each

examined one issue, and with no firm direction for re-development, left many questions and possibilities remaining. Between 2007 and 2009 the HRM by Design process worked to create a direction for the Regional Centre and downtown Halifax. In 2009, Regional Council adopted a mixed use, form based direction for downtown Halifax by approving the HRM by Design Study and the Downtown Halifax Secondary Municipal Planning Strategy (DHSMPs). The Downtown Halifax Secondary Municipal Planning Strategy recognized that much of what was required for the redevelopment of the Cogswell Interchange was unknown and was not overly prescriptive in terms of the Cogswell Precinct. It did call for it to be redeveloped in line with the goals and objectives of the DHSMPs. It also called for a master plan to be undertaken to produce a concept for redevelopment and advance the matter to Council for consideration.

Over the last year, staff has substantially advanced work on the Cogswell Lands for the consideration of Regional Council. Staff was concerned to provide Council with more than a conceptual master plan to aid in their deliberation for removal and redevelopment of the Interchange. Therefore, the work has centered around four key elements;

- 1) **The Cogswell Lands Plan** - The objective of the Cogswell Lands Plan was to produce a redevelopment plan based on the stated objectives of HRM and the public. The plan uses an integrated approach to balance municipal Engineering, Urban Design and Economic objectives into a feasible plan. The plan was commenced in January of 2013. Ekistics Planning and Design led a team with membership from SNC-Lavalin, OCL Services, Davis MacIntyre and Associates, and Colliers International. They were tasked to develop and test four scenarios using objectives found in the Regional Plan, Downtown Municipal Planning Strategy and Economic Strategy as well as the work of the Strategic Urban Partnership. A preferred plan was then chosen by the HRM Interdepartmental Steering Team and Consultant for further refinement and recommendation to Regional Council.
- 2) **Independent Market Assessment** – The proposed plan was then analyzed through a Market Assessment to determine how the redevelopment might be received by the market and what its impact might be both at Cogswell and in other parts of the Regional Centre. This work informs Council and staff as to the potential market support for the redevelopment scheme, identifies any market sensitivities, and estimates market absorption rates. This intelligence factors into HRM decisions around timing, financing, and assesses the market direction for the redevelopment against stated municipal objectives.
- 3) **Cogswell Interchange Condition Review** - The third element was a review of the current infrastructure condition of the Cogswell Interchange. This work determines if there are any near term life cycle maintenance and cost factors associated with the present Cogswell Interchange that would factor into HRM's decision on timing for the redevelopment. It also is useful in creating preliminary phasing and timelines for the demolition. HRM and the Province of Nova Scotia had conducted an examination of the infrastructure condition in 2008. That examination identified immediate repair requirements and the need for a more comprehensive and increasingly costly maintenance program for components of the interchange as it continues to age. Engineers at that time recommended immediate investment of \$1.6 million in repairs and regular inspections to take the structure to 2019. The Province and HRM addressed those

requirements with a repair program in 2010 and 2011. HRM conducted a Level II Inspection in 2013 of non-structural bridge infrastructure as part of its regular inspection program.

- 4) **Cogswell Shake-up Public Consultation** - The fourth element produced for the benefit of Council's decision making was a public engagement process, The Cogswell Shake-up, carried out by the Strategic Urban Partnership (Attachment 3). The public event was aimed at adding detail to previous public discussions regarding the Cogswell Interchange. The session asked the public "What do you want Cogswell to do for your City". It aimed at sampling the appetite of the public for redevelopment of the Cogswell lands and what public objectives the Cogswell redevelopment should advance. The exercise also served to confirm and refine public direction voiced previously and captured in the DHSMPS and Economic Strategy.

All four areas of work contain useful and detailed information for advancing the re-development of the Cogswell Interchange lands. The four elements combined are summarized in the Cogswell Transformed Synthesis Report (Attachment 2).

## **DISCUSSION**

Work around the Cogswell Interchange has now advanced to a point where Council is able to consider a recommendation by staff to move forward with the demolition and re-development of the Cogswell Lands.

- The Cogswell Lands Plan creates an overall solution for the complex requirements of municipal infrastructure and mixed use private redevelopment. It sets a firm walkable, compact and dense, mixed use direction for redevelopment based on an extension of the fine grained downtown street grid. It also proposes a phased approach for the demolition and redevelopment of the municipal infrastructure. The Plan is found as Attachment 1. An analysis of how the Plan achieves Council objectives and integrates with other works carried out for the redevelopment of Cogswell is found in the Cogswell Transformed Synthesis Report as Attachment 2.
- The Independent Market Assessment has identified a strong market for predominantly mixed use multifamily residential with some commercial development. This is in line with HRM's Regional Plan, Downtown Halifax MPS and Economic Strategy. The market uptake, estimated at 8-13 years, recognizes that development will occur in other parts of the downtown and Regional Centre and that those developments along with Cogswell will play a large role in responding to market demand and in meeting HRM's targets for the downtowns. Cogswell does this by assuming 25 to 30 percent of anticipated new peninsula multifamily development over the project's build-out period. The Plan will also be a catalyst to spur development in the immediate surrounding area over the next twenty years. (Anticipating some volatility in the market during that period). As a predominantly residential mixed use development it will not shift the epicenter of downtown from the Central Blocks (Downtown Precincts 4 and 6) which are



a key focus area for downtown Halifax in the DHSMPS.

The Market Assessment reports that potential revenues from the newly created Cogswell Lots slightly exceed the demolition and reconstruction costs of new infrastructure. This provides a compelling business case to proceed with detailed design including a financial strategy for advancing the removal and re-development of the lands and its associated public benefits. The Market Assessment can be found as Attachment 1 of the Confidential Executive Standing Committee Information Report dated March 25, 2014. All potential costs and revenues are based on Probability of Cost Estimates (Class D) and are subject to further refinement as more detailed design is completed.

- The Condition Assessment did not identify any compelling repair requirements which would require HRM to act within the next two to three years. It does still require the Province and HRM to carry out minor repairs and to continue to monitor the infrastructure's condition until it is removed. Owing to the need to provide continuity in the transportation network serving the north end of the downtown, staff does feel it is prudent to prepare for the eventual removal of the interchange rather than wait until its condition became critical or costly. The Cogswell Lands Plan is part of that prudent preparation, as is the work outlined in the Next Steps section of this report.
- The SUP Cogswell Shakeup confirmed the public's desire to see the Cogswell Interchange demolished and the lands used to strengthen the downtown, provide mixed use development including affordable living space, be a place for people, play a large role in Transit and Active Transportation and re-connect existing neighbourhoods to the downtown and waterfront. The idea that the redevelopment should not be constrained by requirements to make the demolition and construction of municipal infrastructure cost neutral through sale of lands for private development came out of the Shake-Up. That argument being based on the strength of the public good to be achieved and the contribution that Cogswell could make to a successful downtown. A summary of the SUP Cogswell Shakeup can be found as Attachment 3 of this staff report.

The Cogswell Lands Plan as presented works to achieve the highest balance of municipal objectives, sets a feasible direction, and indicates that the near term market has room for the six acres of mixed use development land contemplated by the Plan along with the public streets and parks. Additional detail can be found in Attachment 1 and Attachment 2 of this report.

The Cogswell Lands are always brought forward as a potential site for any future stadium, as other cities have fared well with stadiums in proximity to downtown areas. Placement of a stadium or new metro centre on the Cogswell Lands was examined as Option No.1 in the Lands Plan. The exercise proved that most of the Cogswell lands would be required for a large format building with an additional requirement for purchase and demolition of private properties. The Cogswell Lands may be sixteen acres in size but are 700 m long by only 140 m at its widest point. The lands are just too long and narrow to accommodate a 20,000 seat stadium and necessary transportation flows. The size of a major civic facility with minimal parking requirements served to create little improvement on problems already presented by the existing interchange.

### **Scale of the Initiative and Potential Impact**

The DHSMPS is clear that the redevelopment of Cogswell is to be one of HRM's tools in ensuring a vital downtown. To that end, the Plan's study area not only included Precinct 8 (Cogswell) but also adjacent precincts 7 (Historic Properties) and 9 (North End Gateway) and a small area of the Halifax North Plan Area. This enables the integration between these neighbourhoods and a redeveloped Cogswell lands to be a fundamental focus. It also requires the study to explore the potential impact that any redevelopment of the Cogswell Lands could have in terms of development. While the Plan speaks to this matter, much of the "spin-off" development is beyond the control of HRM and could be sometime in the future. The primary engineering, urban design and economic focus of the plan is on the sixteen acres of municipal property that is the actual Cogswell Interchange. Therefore, while the study impact area is large at 97 acres, (see attachment 1) the direct recommendations and actions for Council and staff deal with the 16 acres of municipally owned land and the necessary changes to municipal infrastructure. In terms of scale this is the same size as the Halifax Public Gardens and as such is not beyond an organization that is accustomed to implementing an annual Capital Work Plan of \$214 million dollars.

### **Planning Amendments**

Most of the development parcels that are identified in the Master Plan area are in the Downtown Halifax Plan Area. Generally, the permitted building heights allow for tall buildings in this area, although a lower height is called for immediately to the north of the Trade Mart building. Therefore, with some potential adjustments to the proposed building heights in this area, the envisioned changes to the DHSMPS and DHLUB would be limited to providing for greater context information about the redevelopment of these lands and new maps to recognize the proposed street grid.

There are some lands in the northern part of the Cogswell area that are inside the Halifax Plan Area. Changes to Halifax Municipal Planning Strategy (HMPS) and Halifax Peninsula Land Use By-law (HLUB) would be required, but are seen as being minor in scope.

Any amendments to the planning documents are to be the subject of a full initiation report to Regional Council, which would be followed by public consultation and a public hearing.

### **Next Steps**

If Regional Council adopts the Cogswell Lands Plan as direction for removal and redevelopment of the Cogswell Interchange, staff recommends that HRM move to the next stage in the process. That stage is Detailed Design, a necessary step prior to commencement of demolition and reconstruction. Staff makes this recommendation for the following reasons;

1. Detailed design finalizes municipal infrastructure requirements and layout bringing additional certainty to community and infrastructure planning at Cogswell and to adjacent neighbourhoods.

2. Detailed design will firm up land requirements for any land acquisitions or disposals necessary for street ROW and open space, a process which can take time.
3. It will define the final configuration of lots for private development.
4. It will address the fine points of phasing, duration, temporary transportation requirements and access to existing development during the demolition and construction period.
5. It will produce an increasingly more precise estimate of costs and phasing for input into project financial planning.
6. The Detailed Design process will provide the development community and surrounding landowners with HRM's intentions to bring desirable lands to market for private development and provide a level of detail and timing to enable them to consider the Cogswell project as part of their business planning cycle.

Owing to the interdependencies involved in the Cogswell Lands, staff proposes a 30/60/90 percent phased approach to Detailed Design. That approach is detailed in Attachment 2 page 25.

This approach;

- 1) allows for iterative refinement of the Plan to a detailed level with early involvement by utilities, regulatory bodies and key landowners.
- 2) surfaces issues early in the process
- 3) allows all the requirements of the redevelopment to be advanced in concert to ensure that transportation, utilities, open space, real estate and financing remain integrated and balanced as they are intended by the Cogswell Lands Plan.
- 4) provides enough detail at the 30% stage to refine the MPS and LUB amendments, financial planning, land acquisition and sales and marketing.
- 5) creates logical check-in points for Council and senior management to be advised of progress and receive confirmation of key conditions such as traffic accommodation, costs, market absorption, interest rates and business interruption plans so that necessary direction may be given.
- 6) creates assessment and "go/no-go" decision points allowing Council to respond to sensitivities and unforeseen changes, such as interest rate increases, changing, market conditions, changing priorities etc.

### **Project Resourcing**

There are two primary considerations associated with moving to the detailed design and re-development stages for the municipality;

1. Maintaining staff resourcing and service levels required to attend to Council's priority initiatives and day to day municipal work while focusing on an interdepartmental, multi-year project, such as the redevelopment of the Cogswell Interchange.
2. There is a lack of intimate private mixed use development experience within the Municipality. This is seen as a requirement necessary to ensure that the final detailed project is attractive to urban developers/commercial owners and potential residents. It also serves to ensure that the municipality and the public realize it's appropriate level of return and benefit from the sale and private re-development of the lands.

To that end, staff proposes to set up a project office resourced with a combination of contract staff and consultants and overseen by an HRM Staff Steering Team tasked to move the project through the appropriate steps.

## **FINANCIAL IMPLICATIONS**

### **Current Infrastructure Requirements**

Estimated infrastructure repairs for the upcoming five-year period total \$146,000 for the Cogswell Interchange. Funds will be budgeted during future annual Project Budget cycles to coincide with operational requirements. Should Council not wish to proceed with the demolition of the Cogswell within the next five years or longer, staff will explore the concept of a Reserve for the extended life cycle maintenance of the structure beyond 2019 and bring that back to Regional Council for consideration in accordance with 2009 Council direction.

### **Demolition and Reconstruction Costs**

The cost of demolition, reconstruction of municipal infrastructure and public realm components associated with the Cogswell Interchange are part of the Confidential Information Report dated March 25, 2014, along with an estimate of resulting revenues from the disposal of newly created lots.

### **Detailed Design Budget**

In terms of advancing detailed design, a budget of \$750,000 under Project Account Number CT000007 – Cogswell Interchange Redevelopment has been approved by Regional Council as part of the 2014/15 Project Budget deliberations. The budget availability has been confirmed by Finance.

## **COMMUNITY ENGAGEMENT**

The Cogswell Lands Plan is the result of a steadily refined series of public input opportunities and consultations over more than a decade. These include the consultations associated with HRM by Design, the Halifax Economic Strategy and the adoption of the Downtown Halifax Municipal Planning Strategy. The Cogswell Shakeup, hosted by the Strategic Urban Partnership and held in May of 2013 served to confirm and refine the directions set previously and was extremely useful in re-engaging the public in what will be an on-going, albeit, more directed conversation.

If the project moves forward, there will be the need for additional public and stakeholder consultation as the detailed plan is refined. Particular opportunities will exist around park and open space design, DHMPS and LUB changes and detailed design related to adjacent properties.

It is also important to keep the public, adjacent landowners and potential private developers informed of the Cogswell work. Recommendation 6 of this report proposes a public information session and website to communicate Council's decisions and direction to date and outline future requirements for public and stakeholder input and the timelines associated with the project.



## **ENVIRONMENTAL IMPLICATIONS**

The project is part of a strategy, under the HRM Regional Plan, to enable achievement of Urban Growth Targets. The project has the potential to positively impact Council's sustainability targets through increased density, compact form, walkability, alternative transportation and the potential for creation of a district energy system for the new development and possibly for the surrounding area.

A preliminary environmental scan conducted as part of the Cogswell Lands Plan indicates the need for further testing to look for possible archeological assets and possible contamination associated with the settlement on site from 1749 to 1966. Testing will also be conducted to determine the presence of pyritic slate resulting from the underlying bedrock and/or the use of excavated pyritic bedrock from the Scotia Square development for fill during the intersection construction.

## **ALTERNATIVES**

Regional Council could alternatively;

- 1) Ask staff to return to Regional Council with a closer examination or more information on a particular topic for the further consideration of Council.
- 2) Determine not to move ahead with the next steps for the re-development of the Cogswell Lands.

While there is the option to adopt the Lands Plan and advance to the Detail Design stage at some future time (Alternative 2), the Staff feels that moving through the 30 percent if not the 60 percent stage now would remove up to a year from any future timeline. A "Go/No Go" decision for Council to proceed is built into the 60 percent phase of the Detailed Design and Council and staff are able to adjust the project timeline right up to the 90 percent stage prior to tendering. If the Cogswell redevelopment in no way figures into Council's strategy for the next 3-5 years they should not proceed with the full detailed design phase as there are too many factors which could change beyond a five year period.

## **ATTACHMENTS**

- 1) Cogswell Lands Plan – Cogswell Transformed
- 2) Cogswell Transformed Synthesis Report
- 3) Strategic Urban Partnership – Cogswell Shakeup Report

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, Public Lands Planning, RELM, P&I 490-6047

Report Approved by: Original Signed  
Peter Stickings, Manager, Real Estate and Land Management, P&I 490-7129

Report Approved by: Original Signed  
Jane Fraser, Director, Planning and Infrastructure, 490-7166

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