

Item No. 4.1
Community Planning & Economic
Development Standing Committee
June 5, 2014

TO: Chair and Members of the Community Planning & Economic
Development Standing Committee

Original Signed

SUBMITTED BY: _____
Brad Anguish, Director, Community & Recreation Services

DATE: April 28, 2014

SUBJECT: Long Term Arena Strategy: Consolidation of Aging Arenas

ORIGIN

August 14, 2012 Long Term Arena Strategy (LTAS) – Motion to accept the following recommendations was approved by Regional Council:

1. Approve the LTAS (Attachment 1 of the July 26, 2012 revised staff report) in principle with the exception of the timeline for the Peninsula and Dartmouth consolidations and the location of the Peninsula 4-Pad and direct staff to undertake further assessment of those aspects based on new information received since the completion of the strategy;
2. Direct staff to complete the project scope including consideration of partnership opportunities, capital costs, operational efficiencies, ice inventory, preliminary designs and public consultation for the Peninsula and Dartmouth consolidations and return to Regional Council for approval of an implementation plan;
3. Direct staff to implement the Centralized Scheduling Process as outlined in the LTAS (Attachment 1 of the July 26, 2012 revised staff report);
4. Direct staff to implement the Community Access Plan as outlined in the LTAS (Attachment 1 of the July 26, 2012 revised staff report);
5. Direct staff to approach other levels of government and potential private sector partners for funding assistance; and
6. Officially thank the committee members for their work and disband the LTAS Committee as their mandate has been completed.

...Recommendations on Page 2

LEGISLATIVE AUTHORITY

- *Halifax Regional Municipality Charter*, Section 35 (1a), Section 79 (1) (k) Recreation programs, (x) lands and buildings required for a municipal purpose; and
- Community Facility Master Plan, approved by Regional Council on May 27, 2008.

RECOMMENDATION

It is recommended that the Community Planning & Economic Development Standing Committee recommend that Halifax Regional Council:

1. Direct staff to commence planning for the construction of a 4-pad arena at Windsor Park to replace the Halifax Forum, Civic, Devonshire and Shannon Park arenas targeted to open in 2017;
2. Direct staff to negotiate a partnership agreement with Canadian Forces Base Halifax for construction of the Halifax 4-Pad arena and return to Council for approval of the agreement and subsequent construction;
3. Declare Halifax Forum and Civic arenas as surplus to recreation needs upon the completion of a partnership agreement for the Halifax 4-Pad and direct staff to commence master planning of the property;
4. Declare the Devonshire arena building surplus to recreation needs upon completion of the Halifax 4-Pad arena and direct staff to initiate the process to demolish the building and retain the land for future recreation needs;
5. Direct staff to commence planning for the construction of a 4-pad arena in Dartmouth to replace the Gray, Bowles, Lebrun and Centennial arenas targeted to open in 2019;
6. Direct staff to investigate the potential for locating the Dartmouth 4-Pad on Shannon Park lands and return to Council for final confirmation of the location;
7. Declare Gray, Bowles, Lebrun and Centennial arenas surplus to recreation needs upon the completion of the Dartmouth 4-Pad arena and direct staff to review the properties under Administrative Order 50;
8. Direct staff to include the arena projects in the strategic capital projects to be considered by the Audit & Finance Standing Committee for determination of capital priorities and funding strategies; and,
9. Direct staff to continue to explore funding from other levels of government and potential private sector partners.

BACKGROUND

The provision of arena facilities in Halifax Regional Municipality and across Canada is important to the quality of life of citizens. In cases where arenas have been closed for renovations or permanently, citizens have indicated their concerns through petitions to Council and through public meetings and consultation. Citizens have indicated that risk-free, accessible arenas are a priority.

Currently in HRM, 15 of the total 25 existing ice surfaces are over 30 years old, and 12 of those 15 ice surfaces are over 40 years old. As a result of the aging inventory, the Long Term Arena Strategy (LTAS) was undertaken as a means to ensure Regional Council could make proactive decisions related to the aging arenas, and to eliminate risks associated with failing mechanical and refrigeration systems.

Long Term Arena Strategy

In 2008, Council initiated a two-phase strategy to address the region's arena deficiencies (i.e., arena shortage and their aging condition):

- Phase 1 Short Term Arena Strategy completed in 2008/09, addressed an immediate critical shortage of ice surfaces and resulted in construction of the (4-Pad) BMO Centre.
- Phase 2 LTAS reviewed the remaining aging infrastructure and developed options to ensure a stable and adequate number of ice surfaces for the future. In addition, several key policy recommendations related to fair and equitable access to arena facilities were developed. This work was led by a Council approved Steering Committee.

The Long Term Arena Strategy (LTAS) was initiated in January of 2010 through Council's approval of the terms of reference for a Steering Committee and was undertaken to fulfill the analysis required to guide decision making related to aging municipal arena inventory. The Council appointed Steering Committee was given the mandate to develop and recommend a vision for the long-term provision of ice inventory. The Steering Committee provided citizen commitment and leadership for that phase of the work and resulted in the strategic document and direction approved by Regional Council on August 14, 2012. Subsequent to that direction, the analysis on the consolidation of the aging arenas for both Halifax and Dartmouth was completed and forms the basis of this report.

Updates on each of the six LTAS recommendations approved by Regional Council in August 2012 are included within Schedule 1 of Attachment 1.

Previous Regional Council Considerations

Staff presented short and long term arena strategies to Regional Council on several occasions leading up to this report. These presentations began in late 2007 as an early deliverable of the Community Facility Master Plan, continued through to the opening of the BMO Centre in

November 2009, and most recently with the approval of the LTAS for replacement of aging arenas, in August of 2012.

January 27, 2009 Regional Council In-Camera Meeting

Regional Council ratified the resolutions passed at an in-camera Council meeting held earlier the same day. Those resolutions pertained to the development of the BMO Centre in Bedford. Council did not pass any resolutions regarding the location or timing of future arena projects.

August 14, 2012 Regional Council Meeting

The Council appointed Steering Committee and HRM staff presented the LTAS Report and subsequent recommendation reports in August 2012. In the Steering Committee report, after the benefit of full review and analysis, the Project Steering Committee recommended that the Peninsula consolidation take place as the next implementation and the Dartmouth consolidation take place following that project.

Staff reviewed the Steering Committee report and at the August 14, 2012 Council meeting presented the Long Term Arena Strategy report for Council consideration. The staff recommendation regarding consolidation of aging arenas was: “Approve the LTAS in principle *with the exception* of the timeline for the Peninsula and Dartmouth consolidations and the location of the Peninsula 4-Pad as mentioned in the paragraph above, and direct staff to undertake further assessment of those aspects based on new information received since the completion of the strategy.” The staff recommendation was different from the Steering Committee recommendation in order to allow Regional Council the full benefit of review and consideration of options for location of the next multi-pad arena, including the potential involvement of partners in the proposed consolidations, and a detailed site selection process. Council approved the recommendation and directed staff to proceed to review both options for consolidation (Peninsula Halifax and Dartmouth), and to return to Regional Council with a recommendation to proceed with development of the next consolidated arena. This current staff report responds to that Council direction.

DISCUSSION

Key concerns that led to the advancement of the LTAS related to the ability of the Municipality to maintain the level of available ice inventory when close to 60% of the arenas are over 30 years of age, and have not received annual recapitalization, resulting in deficiencies in their upkeep. Regional Council’s direction required staff to complete a thorough analysis related to the consolidation of aging arena inventory, and to bring forward recommendations regarding consolidation.

In order to respond to the Council direction, staff have considered such things as potential partnerships, site appropriateness in both Peninsula Halifax and Dartmouth, and various configurations of multi-pad arenas (3-Pad and 4-Pad). Additional consideration was given to connectivity of the overall arena inventory, access by car, bus and active transportation, parking capacity for ice and other activities, synergies related to co-location (campus setting), and regional significance of location. Preference was given to locations that would both meet the

needs of the local user groups (i.e., minor sport and recreational users) and also enhance the overall arena experience of citizens through regionally appropriate locations.

Process of Consolidation

The process to determine recommendation for the consolidation of aging arenas required several steps including:

- Step 1: Council Direction
- Step 2: Site Selection Analysis
- Step 3: Preliminary Site Analysis
- Step 4: Potential Facility Configurations of Ice Surfaces
- Step 5: Concept Design and Site Suitability
- Step 6: Review of Partnership Proposals (Halifax) and Municipal Scenarios (Dartmouth) and Detailed Scenario Review
- Step 7: Financial Analysis

Step 1: Council Direction

In August 2012, Council approved the LTAS, which included plans for replacement of aging arenas with multi-pad facilities. As a result of the motion, a detailed analysis of potential sites, configurations of arena facilities, review of potential partnership opportunities, facility operating assumptions and cost-benefit analysis was undertaken in order to achieve the deliverables required for Regional Council's deliberations. Regional Council also asked staff to consider partnerships and funding opportunities that would add benefit the consolidation project.

Step 2: Site Selection Analysis

To prepare recommendations related to the construction of two multi-pad consolidated arenas, seven preliminary sites were identified in Peninsula Halifax, and nine preliminary sites were identified in Dartmouth for evaluation. Detailed information related to the analysis completed on the sites is included in Schedule 9 of Attachment 1.

Step 3: Preliminary Analysis

The preliminary site analysis resulted in three sites being short-listed in Peninsula Halifax, and three short-listed in Dartmouth.

Halifax Sites	Dartmouth Sites
Halifax Forum Site, Windsor Street	Maybank Fields, Woodland Avenue
South Street, across from IWK Hospital	Commodore Drive, Dartmouth Crossing
Connolly Street Field, CFB Halifax	The Quarry, Dartmouth Crossing

These sites were referred to the consulting team of JDA MacKenzie Architects and Perkins+Will Architects for Concept Design and Site Analysis. The result of that analysis is included in Schedule 8 in Attachment 1.

Additional Dartmouth Site

Due to recent discussions regarding the potential for a stadium and, due to the recent transition of Shannon Park to Canada Lands Company, Shannon Park was included as a fourth consideration for Dartmouth. Shannon Park has been the subject of considerable review and public consultation in the past several years related to suitability for large-scale public recreation or sport venues.

Step 4: Potential Facility Configurations of Ice Surfaces

The opportunity to consolidate several stand-alone arenas into one or more community/regional service delivery multi-pad arena presents important capital cost and operational efficiencies related to improved service delivery, improved operational performance, and increased convenience for user groups. The LTAS Project Report dated July 25, 2012 (pg.11) states, “Consolidation of aging arenas into multi-pad arenas is supported as a fiscally responsible decision related to both capital construction and operations. The consolidation of 6 existing aging facilities into 2 new multi-pad facilities is anticipated to reduce operating, maintenance and recapitalization costs to the Municipality in excess of \$2M per year.”

Two configurations of multi-pad arenas (3-Pad and 4-Pad configurations) were considered at each of the short-listed sites in Dartmouth and Peninsula Halifax. Preliminary conceptual designs were completed for discussion purposes, and are included in the JDA/Perkins+Will report. Full documentation related to the site selection process is included in Attachment 1, Schedule 8.

Step 5: Concept Design and Site Analysis

The work conducted by JDA/Perkins+Will on the short listed sites consisted of 3 main components:

1. Site Investigation;
2. Site Testing; and
3. Site Scoring.

Findings of the Analysis

A site scoring matrix was developed that outlined 48 evaluation points for each of the 3 potential sites in both Halifax and Dartmouth. Table 1 shows the six short-listed sites that scored highest for each geographic area and provided the best over-all conditions for potential multi-pad arena consolidations.

Table 1 Short-Listed Sites

Halifax Sites	Score	Dartmouth Sites	Score
Halifax Forum Site, Windsor Street	3.434	Commodore Drive, Dartmouth Crossing	4.501
Connolly Street CFB Halifax	3.369	Maybank Fields, Woodland Avenue	3.626
South Street, across from IWK Hospital	1.777	The Quarry, Dartmouth Crossing	3.348

The analysis illustrated that the South Street site was complicated and did not have capacity for a 3-Pad or 4-Pad arena. However, it was included in the short-list because it had been identified

prior to the commencement of the analysis in the Joint Proposal for a Twin-Pad Arena on that site by Dalhousie and Saint Mary's Universities.

Step 6: Review of Partnership Proposals (Halifax) and Municipal Scenarios (Dartmouth) and Detailed Scenario Review

Three partnership submissions were received regarding consolidation of aging arenas. The proposals provide potential for key success in areas such as economies of scale in construction and operations, locational convenience and good regional road access, partnership parameters that benefit all parties and citizens in general, and overall added value for citizens. Two of the proposals were received from current owners of arenas who are interested in consolidating and retiring their existing arenas.

These two partnership proposals are:

1. Joint Proposal from Dalhousie and Saint Mary's Universities for a Twin-Pad Arena
 - a) Initial Proposal November 30, 2012;
 - b) Final Proposal July 26, 2013; and
2. Partnership Proposal from CFB Halifax to Construct a 4-Pad Arena
 - a) Letter of Intent October 28, 2013; and
 - b) Final Proposal January 13, 2014.

A third unsolicited submission was received from the Halifax Forum Community Association (HFCA) which operates the Forum complex on behalf of HRM.

3. HFCA Alternative Proposal to Construct & Operate a Third Pad
 - a) Initial proposal February 28, 2013; and
 - b) Final Proposal August 21, 2013.

All three submissions were specific to potential consolidation projects in Peninsula Halifax. No partnership proposals were received for the Dartmouth consolidation.

Detailed analysis of the three submissions above, along with the review of the Dartmouth sites and configuration options, resulted in the development of five scenarios, as follows:

Halifax Scenario 1: Proposed Partnership from Canadian Forces Base (CFB) Halifax

Highlights of the benefits of the proposed partnership with CFB Halifax as submitted include: "The Department of National Defense and the Canadian Armed Forces are in a period of great renewal, which includes seeking strategic partnerships that will result in cost-effective solutions to the current business models. The proposed partnership between CFB Halifax and HRM to build a 4-Pad arena in Windsor Park addresses several of the strategic objectives found in the Defense Renewal Plan, the MARLANT Realty Rationalization Plan and the Capital Asset Plan."

CFB Halifax indicates that the proposal is more than a co-location of arenas, but rather the development of a new community and recreational hub. The Draft Conceptual Plan for a potential partnership with CFB Halifax indicates a formal desire to discuss a potential 4-Pad arena partnership on Peninsula Halifax.

Advancement of the CFB Halifax proposal would allow for the retirement of the Devonshire, the Forum and the Civic arenas. The Forum site would then be considered surplus to recreation needs, and review could proceed regarding future redevelopment opportunities for that site. Redevelopment would enable the establishment of a finer block pattern in the area which would not only increase the amount of street frontage along which new buildings could be constructed, it would also provide a higher level of connectivity that could facilitate pedestrian, bicycle, transit and vehicular circulation within the area. Based on initial assessment, redevelopment of the land could result in an estimated value ranging from \$18-30M, depending on market value at the time of disposal.

The proposed partnership is based on a 75% (HRM) / 25% (CFB Halifax) sharing of all capital and operating outcomes.

Halifax Scenario 2: Joint Proposal from Saint Mary's University and Dalhousie University

Saint Mary's and Dalhousie Universities have stated that, "HRM is important to the universities and the universities are important to HRM. There is significant public value in the partnership between the universities / HRM / Province in developing recreational infrastructure. This project could represent a physical icon for positive collaboration between multiple levels of government and two Halifax universities with tangible benefits to constituents and the public. The universities are seeking direction from HRM on the partnership proposal. Understanding that we're moving towards a goal of a joint arena project is important in the short term. The timing of building the facility is also important but HRM may want to proceed with developing other arena projects while the partnership agreement and planning is underway for our joint two-pad arena proposal."

The joint proposal to partner with Halifax Regional Municipality on the development of a twin Pad arena in the south-end of Halifax also assumes potential partnership support from the Provincial Government in the form of a land lease or grant.

This proposed partnership is based on a 50% (HRM) / 50% (Saint Mary's and Dalhousie Universities) sharing of all capital and operating outcomes. The proposal would enable HRM to close the Devonshire Arena and would require Halifax Forum and Civic arenas to remain in operation and receive ongoing recapitalization investment.

Halifax Scenario 3: Proposal from Halifax Forum Community Association (HFCA) – Unsolicited Alternative to Construct and Operate a Third Pad

The HFCA submitted a proposal which would provide an alternative to Council's direction on the peninsula consolidation outlined in the LTAS. The LTAS recommended replacement of the

Halifax Forum and Civic arenas with a new three or four multi-pad arena on the existing Forum site. The Board proposes building on the existing historic value of the complex with a complete overhaul of the existing Forum Complex and the addition of a third arena.

The proposed alternative is based on current municipal ownership of the facility along with ongoing management provided by HFCA. The proposal would result in 100% HRM responsibility for all capital and operating outcomes.

Dartmouth Scenario 1: Construction of 4-Pad Consolidated Arena – Retirement of Four Aging Arenas

A 4-Pad arena provides synergies and opportunities related to both capital construction and annual operating costs that a 3-Pad arena cannot achieve. The inclusion of the fourth arena also reduces recapitalization requirements and removes an additional aging arena from the inventory.

Consolidation of four arenas:

In order for a 4-Pad option to proceed in Dartmouth without the benefit of a partner, four municipal arenas would be recommended for retirement. This would ensure that the total sheets of ice remains appropriate in the municipal inventory (25 total sheets). The Long Term Arena Strategy identifies the Centennial Arena for future consideration regarding the timing for retirement and, as such, it is the proposed fourth ice surface for inclusion in this scenario.

Under a 4-Pad scenario, proposed for retirement upon completion of the new facility would be:

- Bowles Arena;
- Gray Arena;
- Gerald J Lebrun Arena; and
- Centennial Arena.

Two of the four aging arenas proposed for this consolidation are outside of the Dartmouth community. This would not compromise the overall service delivery of ice allocation in the region, but would require discussion and re-location of some user groups to more geographically suited arenas. Sale of land revenues for the arenas that would be declared surplus and retired are included in the analysis.

This proposed alternative is based on current municipal ownership of the facility. As a result, the proposal would result in 100% HRM responsibility for all capital and operating outcomes.

Dartmouth Scenario 2: Construction of 3-Pad Consolidated Arena – Retirement of Three Aging Arenas

The analysis for Dartmouth Scenario 2 is based on the construction of a 3-Pad facility modeling a version of the BMO Centre revenue and cost estimates, and building configuration. Included in the assumptions, is the required closure of three single ice surfaces, upon the completion of the new facility, one outside of the immediate Dartmouth community. Estimated sale of land

revenues are included in the analysis.

The three arenas included in these assumptions and proposed for retirement upon completion of the new facility are:

- Bowles Arena;
- Gray Arena; and
- Gerald J Lebrun Arena.

Although not as cost effective as the 4-Pad model, the 3-Pad model is more cost effective to construct and operate than three single ice surfaces. The 3-Pad scenario would generate annual operating surplus with capacity for life-cycle contributions. In addition, since the 3-Pad scenario assumes retirement of the arenas mentioned above, the Centennial Arena would require ongoing recapitalization contribution over the next 25 years.

This alternative is based on proposed municipal ownership of the facility. As a result, the proposal would result in 100% HRM responsibility for all capital and operating outcomes.

Step 7: Financial Analysis

Cost benefit analysis was completed for each consolidation option to determine the financial benefit to HRM as compared with the status quo recapitalization of the seven arenas. Based on the analysis, each scenario represents a greater cost to the municipality than the status quo, with the exception of the CFB Halifax partnership proposal, that presents the most favorable consolidation option for the municipality.

Table 2 illustrates a comparative summary of key elements related to capital and operating costs for each of the five scenarios.

Table 2 Project Summary Comparison

Halifax Peninsula			Dartmouth		
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2
	CFB Halifax Partnership Proposal	Dalhousie & Saint Mary's Universities Joint Proposal	Halifax Forum Community Association Alternative Proposal	4-Pad	3-Pad
Location	Windsor Park	South Street	Existing site	Commodore Drive/Shannon Park	Commodore Drive/Shannon Park
# pads	4 (HRM 3, CFB 1)	2 (HRM 1, Universities 1)	3 HRM	4 HRM	3 HRM
# of arenas to Retire	3 (Forum, Civic, Devonshire)	1 (Devonshire)	3(Forum, Civic, Devonshire)	4 (Gray, Bowles, Gerald J Lebrun, Centennial)	3 (Gray, Bowles, Gerald J Lebrun)

# of arenas to Recap	0	2 (Forum, Civic)	0	0	1 (Centennial)
Net Capital cost (est) ***	\$15.8M	\$23.2M	\$39.0M	\$37.8.0M	\$37.3M
Annual operating surplus (deficit) *	\$520K (HRM 75%, CFB 25%)	\$0	\$590K**	\$520K	\$160K
Total Net Cost over 25 years (est)	\$8.9M	\$20.1M	\$25.4M	\$26.8M	\$33.6M

*Before Contribution to Facility Life-Cycle Capital Reserves

**Includes Bingo Revenues

***All scenarios are net potential sale of surplus properties. Scenario 2 Halifax includes \$16.0M for capital construction, \$7.2M recapitalization for Halifax Forum and Civic Arenas, and Scenario 2 Dartmouth includes \$39.0M for capital construction, \$2.1M recapitalization for Centennial Arena

PROPOSED IMPLEMENTATION OVERVIEW

The following criteria are key to the implementation of the consolidations:

- a) Partnership opportunity: The successful incorporation of a partner in the provision of arena infrastructure allows for the sharing of capital construction and operating risks and rewards;
- b) Long-term financial viability: As represented in economies of scale related to capital construction and operations, a 4-Pad facility is the only scenario which results in operating synergies that produce annual operating surplus to provide life-cycle reserve contributions and operating surpluses from direct operations;
- c) Retirement of aging arenas: The goal of the LTAS is directly related to the retirement and replacement of aging arenas.
- d) Geographic and site selection considerations: Space limitations, parking challenges, traffic flow, zoning and building type related to potential sites were considered.

As a result of the analysis of the scenarios, the following implementation plan is recommended:

Phase 1 Halifax - Proceed with Scenario 1 (4-Pad Partnership with CFB Halifax)

The proposal brought forward by CFB Halifax is an opportunity to construct and operate a joint facility to meet the needs of user groups on the Peninsula. It presents the opportunity for cost sharing of the construction and operation, including capacity to generate funds for lifecycle planning for the facility long-term. Depending on the federal grants received and the net proceeds from the sale of the Forum site, this proposal has the potential to not cost the HRM ratepayers anything for the capital construction.

The Shannon Park Arena is scheduled to close in the short term, however, CFB Halifax has indicated it will continue to operate until Regional Council makes a decision related to this report. The operating model for this facility provides an opportunity to reduce risk of aging

facilities, increase operational efficiencies overall in the arena inventory, and to construct the new facility without any disruption of service delivery during the process.

Several months would be required to negotiate and develop a partnership agreement that would include concept design components, operating model, and policy statements related to this scenario. Staff would then return to Regional Council for approval to proceed with the development of a request for proposal for design build and pre-opening services.

Phase 2 Dartmouth – Confirm site location then proceed with 4-pad arena consolidation

Although the Commodore Drive site scored the highest in the Dartmouth analysis, it is recommended to allow for adequate time to evaluate opportunities related to the potential acquisition of Shannon Park lands. Public consultation (Stadium Analysis 2011) identified the site as popular for co-location of sport venues. With Canada Lands Company's recent acquisition of the title to the Shannon Park land, there is an opportunity to actively engage in discussions related to opportunities to use a portion of the Shannon Park site for a recreation campus as part of a larger community plan. The site provides opportunity for co-location of recreation amenities and transportation services, as well as housing development. As a result, the potential co-location of major recreation amenities would be consistent with the proposed development of the site envisioned under the Regional Plan and could act as a catalyst for community building initiatives. It is recommended that staff investigate the potential for locating a 4-Pad arena in Shannon Park and return to Council with a final arena location recommendation in a timeframe that would target the Dartmouth multi-pad to open in 2019.

CONCLUSION

HRM was fortunate to receive two external partnership proposals and one alternative proposal. While all of the proposals had merit and value for citizens, the recommended approach for both the Halifax and Dartmouth consolidations provides an opportunity for significant impact for both communities. While the construction of new multi-pad arenas would provide improved recreation service delivery, the opportunities associated with both the recommended peninsula partnership and the potential recreation campus in Dartmouth provide a broader community impact. The redevelopment potential on the Forum site would support the principles of the Regional Plan. The potential multi-modal transit opportunities on the Shannon Park site along with a potential recreation campus could redefine the Shannon Park area.

FINANCIAL IMPLICATIONS

Halifax Scenario

Capital

If Regional Council approves the 4-Pad Peninsula consolidation with the partnership proposal with CFB Halifax as recommended, a total estimate of \$33.8M would be required over the next two fiscal years (2015/16 and 2016/17) to cover HRM's share of the capital construction costs. Depending on the federal grants received and the net proceeds from the sale of the Forum site,

this proposal has the potential to not cost the HRM ratepayers anything for the capital construction.

Operating

The estimated facility annual operating surplus of the proposed CFB 4-Pad partnership in Halifax would be approximately \$520K (before reserve contribution) per year. This annual surplus is proposed to be shared 75% HRM / 25% CFB Halifax.

Dartmouth Scenario

Capital

If Regional Council approves the 4-Pad Dartmouth consolidation as recommended, a total estimate of \$43.0M would be required over two fiscal years (estimated 2017/18 and 2018/19) to cover HRM's share of the capital construction costs.

Operating

The estimated facility annual operating surplus of the proposed 4-Pad partnership in Dartmouth would be approximately \$520K (before reserve contribution) per year.

Staff will present options for funding of strategic capital projects to Audit & Finance Standing Committee on June 5, 2014. At that time, final decisions on the funding and confirmation of timing for the consolidations are expected to be made in context of all other strategic capital projects.

COMMUNITY ENGAGEMENT

The Council approved LTAS steering committee incorporated community input through the inclusion of community members and stakeholders on the committee, as well as consultation on the various aspects outlined.

Community engagement is proposed to take place as follows:

- The Peninsula consolidation project will include a requirement for consultation in the form of information meetings with user groups and community members.
- User group and community consultation for the Dartmouth consolidation project would commence in Fall 2016.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVES

There are numerous alternative combinations of partnerships, locations and implementation schedules that Regional Council can consider as outlined in this report. The costs, benefits and

risks associated with each alternative can be derived from the data provided in the report and attached business case document.

ATTACHMENTS

1. Long Term Arena Analysis - Business Case

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

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Long Term Arena Strategy

Business Case

Attachment 1

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1. Long Term Arena Strategy - Updates on August 2012 Recommendations,
2. Recommended Site Maps and Configurations
3. Map – Current Distribution of Ice Surfaces
4. Map – Future Proposed Distribution of Ice Surfaces
5. Potential Partnership from Canadian Forces Base Halifax
6. Collaboration Proposal to Halifax Regional Municipality from Dalhousie University & Saint Mary’s University
7. Halifax Forum Community Association– Alternative Proposal
8. JDA Architects Concept Design and Site Analysis re LTAS Project Executive Summary
(Full report available at <http://www.halifax.ca/facilities>)
9. Preliminary Site Evaluation Report
10. List of Community Events and Activities – Halifax Forum Complex

INTRODUCTION

Regional Council's ongoing commitment to arena inventory has been significant. Commencing with the development of a short term arena strategy in 2007 that resulted in construction of four additional ice surfaces, and moving to the development of the Long Term Arena Strategy (LTAS) in 2012 to address aging arenas at the risk of failure, this work has addressed concerns related to aging facilities along with other policy related recommendations. Driven by a clear understanding of the mandate for service provision in this area and an interest to ensure fair and equitable access to the inventory, staff were directed to bring recommendations to Regional Council regarding solutions for arena consolidation in both Peninsula Halifax and Dartmouth (LTAS Regional Council approval 2012).

The Council appointed Steering Committee and HRM staff presented the LTAS Report and subsequent recommendation reports in August 2012. In the Steering Committee report, after the benefit of full review and analysis, the Project Steering Committee recommended that the Peninsula consolidation take place as the next implementation and the Dartmouth consolidation take place following that project.

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KEY FINDINGS AND RECOMMENDATIONS

The key findings of the analysis are as follows:

1. The inventory requirement continues to be 25 ice surfaces in the region. No new evidence emerged relating to the number of arenas needed;
2. No new evidence emerged relating to the level of risk associated with any of the aging arenas. Current arenas in Halifax continue to be of a higher risk to fail than arenas elsewhere in the municipality;
3. A total of sixteen sites were evaluated as potential locations for the consolidated arenas. Not all sites were found to be appropriate for the test configurations. Six short-listed sites were considered in Halifax (3) and Dartmouth (3). Different arena configurations (3-Pad and 4-Pad) were tested on each site;

4. Replacement of single arenas into a 4-Pad consolidation provides the most cost effective model with operating efficiencies;
5. Two partnership proposals and one unsolicited alternative proposal were received and reviewed relative to arena consolidation in Halifax;
6. No partnership proposals were received for arena consolidations in Dartmouth;
7. The partnership proposal received from Canadian Forces Base Halifax to construct a 4-pad in Windsor Park provides the best overall economic and community value for the recapitalization of arenas in Halifax;
8. The Commodore Drive site was determined to be the best site in Dartmouth. Subsequent to the analysis, the Shannon Park site was transferred to Canada Lands Company. As a result, staff recommend that Shannon Park should be analyzed due to the community building possibilities, prior to determining the final location for siting a multi-pad arena in Dartmouth;
9. A 4-pad arena should be constructed in Dartmouth within a timeframe that allows Council to consider creation of a recreation/events campus on Shannon Park lands; and
10. All displaced arenas should be declared surplus to municipal recreation needs and either demolished or advanced for review in accordance with Administrative Order 50.

As a result, it is recommended that the Community Planning & Economic Development Standing Committee recommend that Halifax Regional Council:

1. Direct staff to commence planning for the construction of a 4-pad arena at Windsor Park to replace the Halifax Forum, Civic, Devonshire and Shannon Park arenas targeted to open in 2017;
2. Direct staff to negotiate a partnership agreement with Canadian Forces Base Halifax for construction of the Halifax 4-Pad arena and return to Council for approval of the agreement and subsequent construction;
3. Declare Halifax Forum and Civic arenas as surplus to recreation needs upon the completion of a partnership agreement for the Halifax 4-Pad and direct staff to commence master planning of the property;
4. Declare the Devonshire arena building surplus to recreation needs upon completion of the Halifax 4-Pad arena and direct staff to initiate the process to demolish the building and retain the land for future recreation needs;
5. Direct staff to commence planning for the construction of a 4-pad arena in Dartmouth to replace the Gray, Bowles, Lebrun and Centennial arenas targeted to open in 2019;
6. Direct staff to investigate the potential for locating the Dartmouth 4-Pad on Shannon Park lands and return to Council for final confirmation of the location;

7. Declare Gray, Bowles, Lebrun and Centennial arenas surplus to recreation needs upon the completion of the Dartmouth 4-Pad arena and direct staff to review the properties under Administrative Order 50;
8. Direct staff to include the arena projects in the strategic capital projects to be considered by the Audit & Finance Standing Committee for determination of capital priorities and funding strategies; and,
9. Direct staff to continue to explore funding from other levels of government and potential private sector partners.

THE OPPORTUNITY

At the August 14, 2012 meeting of Regional Council, the following six motions related to the Long Term Arena Strategy (LTAS) were approved. This Business Case refers to motions 1, 2, and 5.

MOVED by Councillor Hendsbee, seconded by Councillor Uteck that Halifax Regional Council:

1. *Approve the Long Term Arena Strategy (Attachment 1 of the July 26, 2012 revised staff report) in principle with the exception of the timeline for the Peninsula and Dartmouth consolidations and the location of the Peninsula 4-Pad and direct staff to undertake further assessment of those aspects based on new information received since the completion of the strategy;*
2. *Direct staff to complete the project scope including consideration of partnership opportunities, capital costs, operational efficiencies, ice inventory, preliminary designs and public consultation for the Peninsula and Dartmouth consolidations and return to Regional Council for approval of an implementation plan;*
3. *Direct staff to implement the Centralized Scheduling Process as outlined in the Long Term Arena Strategy (Attachment 1 of the July 26, 2012 revised staff report);*
4. *Direct staff to implement the Community Access Plan as outlined in the Long Term Arena Strategy (Attachment 1 of the July 26, 2012 revised staff report);*
5. *Direct staff to approach other levels of government and potential private sector partners for funding assistance; and*
6. *Officially thank the committee members for their work and disband the Long Term Arena Strategy Committee as their mandate has been completed.*

An update on all of the LTAS recommendations is included in Schedule 1.

BACKGROUND

The Long Term Arena Strategy (LTAS) was initiated in January of 2010 through Council's approval of the terms of reference for a Steering Committee and was undertaken to fulfill the analysis required to guide decision making related to aging municipal arena inventory. The Council appointed Steering Committee was given the mandate to develop and recommend a vision for the long-term provision of ice inventory. The Steering Committee provided citizen commitment and leadership for that phase of the work and resulted in the strategic document and direction approved by Regional Council on August 14, 2012. Subsequent to that direction, this analysis on the consolidation of the aging arenas for both Halifax and Dartmouth was completed.

The provision of arena facilities in Halifax Regional Municipality and across Canada is key to the quality of life of citizens. In cases where arenas have been closed for renovations or permanently, citizens have indicated their concerns, displeasure, and requirements for risk-free accessible arena facilities. In an effort to reduce risk and propose best practices for the provision of arenas, the LTAS identified the following:

- a) In the current environment of aging arenas, considerations and recommendations were provided to ensure that Regional Council has a proactive opportunity for decision making related to these aging arena facilities; and
- b) The LTAS proposed that six aging arenas be retired after construction of two new multi-pad arenas planned for their replacement. The two new multi-pad arenas are proposed to be located, one each in Peninsula Halifax and Dartmouth.
- c) The LTAS reflected an ongoing commitment to recapitalization at the remaining arenas and MDF facilities.
- d) The LTAS confirmed the inventory requirements to be 25 ice surfaces in the region. No additional ice surfaces were determined to be required.

The LTAS also indicated that a seventh arena, Centennial Arena, be reviewed upon additional analysis related to consolidation.

As outlined in the LTAS, over 60% of the arenas in HRM are over 30 years of age. Table 1 summarizes the current HRM arena inventory and lists each ice surface by the year it was constructed, and its current age.

Table 1 Municipal Arena Inventory

Arena Name	Year	Age	Arena Name	Year	Age
1. Halifax Forum	1927	87	12. Sackville & District Arena	1973	41
2. Shearwater Arena	1964	50	13. Cole Harbour – Scotia 1	1975	39
3. Saint Mary’s Arena	1966	48	14. Halifax Metro Centre	1977	37
4. Centennial Arena	1967	47	15. Dartmouth Sportsplex	1982	32
5. Shannon Park Arena	1969	45	16. St Margaret’s Centre-Fountain	1985	29
6. Devonshire Arena	1971	43	17. Cole Harbour – Scotia 2	1988	26
7. Eastern Shore Community Centre	1973	43	18. Sackville Sports Stadium	1989	25
8. Bowles Arena	1972	42	19. Halifax Forum – Civic Arena	1995	19
9. Spryfield Arena	1972	42	20. St Margaret’s Centre-Smith	2005	9
10. Gray Arena	1972	42	21. Rocky Lake Dome Arena	2009	5
11. Gerald J Lebrun Arena	1972	42	22. BMO Centre-A,B,C,D	2010	4

Table 2 summarizes the number of HRM ice surfaces by age grouping in order to illustrate the significance of aging arenas in the overall inventory. Table 3 lists the ice surfaces that are included in the analysis for consolidation.

Table 2 Ice Surfaces by Age Grouping

Age in Years	Number of Ice Sheets
40+ years	12
30-39 years	3
20-29 years	3
10-19 years	1
9 years and under	6

Table 3 Included in Consolidation Review

Name of Facility	Number of Ice Sheets	Age in Years
Devonshire Arena	1	43
Halifax Forum Arena	1	87
Halifax Civic Arena	1	19
Bowles Arena	1	42
Centennial Arena	1	87
Gerald J Lebrun Arena	1	42
Gray Arena	1	42
Shannon Park	1	45

Adequate Inventory

The provision of recreation and community facilities in Nova Scotia is primarily a municipal responsibility. Access to privately owned facilities is also available, but those facilities in most cases have specific user groups that have priority over the general public (i.e. Universities, and Department of National Defence arenas). Exceptions to this rule are the privately owned Sackville and District Community Arena and the Rocky Lake Dome where public usage is the priority.

The Short Term Arena Strategy recommended that 25 ice surfaces were required for the region. There are 25 ice surfaces in the municipality as a result of the relatively recent additions of the Rocky Lake Dome Arena in 2009 and the BMO Centre multi-pad arena in 2010 and the closure of the Dalhousie University Arena in April 2012.

The requirement for 25 ice surfaces was confirmed as part of the Long Term Arena Strategy (LTAS) analysis, and is based on the percentage of usage for prime time, non-prime time, and year-round ice by all user groups. Halifax Regional Municipality owns and operates 20 of the 25 arenas, either directly or indirectly.

Recapitalization Costs of Aging Ice Surfaces

Concerns that led to the development of the LTAS were related to the ability of the Municipality to maintain the level of available ice inventory when close to 60% of the arenas are over 30 years of age, and have not received adequate annual recapitalization, resulting in deficiencies in their upkeep.

As reported in the Short Term Arena Strategy (April 2008), “major recapitalization for arenas is necessary at year 30 or older in order to extend the reliability of each arena facility, anticipated to cost in excess of \$2M for each arena. This recapitalization cost at year 30 or older assumes there has been ongoing annual recapitalization investment of between 1.5%-2% at each ice surface”. Municipally owned arenas have not received the benchmark 1.5%-2% of annual recapitalization funding over the past 40+ years. As a result, the recently completed Facility Condition Assessments include costs greater than the \$40M, previously estimated in the LTAS, as necessary to provide recapitalization in order to extend the useful life of the facilities for a 25 year period.

Overall, the current arena situation in HRM includes a heightened level of concern about aging facilities, an increased requirement for recapitalization per facility, and a number of high risk arenas.

CONSOLIDATION PLANNING

The opportunity to consolidate several stand-alone arenas into one or more community/regional service delivery multi-pad arena presents important capital cost and operational efficiencies related to improved service delivery, improved operational performance, and increased convenience for user groups.

Impact of Consolidation

To sustain arena usage for the next 25 years, the seven aging arena facilities listed in Table 3 require recapitalization investment estimated between \$2.1M - \$7.2M each. The total estimated recapitalization cost to the municipality for all arenas is approximately \$20.2M (detail below).

This investment would result in state of good repair only. It would not provide a heightened level of service delivery, opportunity for potential operational efficiencies, or surplus revenues for contributions to life cycle planning for the arenas.

Recap 25 Year Totals (\$20.2M)							
	<u>Forum/Civic</u>	<u>Devonshire</u>	<u>Bowles</u>	<u>Gray</u>	<u>LeBrun</u>	<u>Centennial</u>	<u>Total</u>
Halifax	\$7.2M	\$3.5M					\$10.7M
Dartmouth			\$2.2M	\$2.4M	\$2.8M	\$2.1M	\$9.5M

Multi-pad and campus facility models allow for reduced staffing, and economies of scale for hosting sport and community events, reduced costs for management of several facilities co-located or under one roof, and creates a level of synergy for citizens and user groups. This model further illustrates economies of scale related to cost effective capital expenditure, and provides reduced capital and operating costs compared to other configurations of ice surfaces.

The combined net operating impact of the seven arenas over 25 years is a deficit of \$10.4M. With the operational efficiencies and synergies mentioned above, consolidation resulting in two multi-pad arena is expected to realize an estimated \$21.5M surplus which would be available to fund life cycle planning, which is not possible with the existing single pad arena configurations.

Table 4 summarizes the combined net operating impact of consolidation compared to status quo.

Table 4 25 Year Operating Impact

25 Year Operating Impact: Status Quo versus Consolidation		
	Status Quo Recap existing	Consolidation Approach
Net Operating Deficit (Surplus) – Halifax consolidation	(\$0.8M)	(\$9.2M)
Net Operating Deficit (Surplus) – Dartmouth consolidation	\$11.2M	(\$12.3M)
Total Combined Net Operating Deficit (Surplus) 25 years	\$10.4M	(\$21.5M)

Rather than maintaining aging arenas by spending \$20.2M and experiencing operational losses of \$10.4M over the next 25 years, this report proposes that the seven HRM arenas be consolidated into two multi-pad arenas – one in Peninsula Halifax, and one in Dartmouth, resulting in the opportunity to realize a net operating surplus and the ability to plan for future recapitalization needs.

Impact on User Groups

Consolidation of arenas is expected to have an overall long term positive influence on user groups. More minor sport associations will be able to participate in improved geographic distribution of arenas (Schedule 4: Map – Future Proposed Distribution of Ice Surfaces) closer to their communities, and overall will have to travel to fewer ice surfaces. Based on arena usage for the current season, six of the eight minor hockey associations would have to travel to a reduced number of arenas for their regular season play after consolidation. A seventh association, Bedford Minor Hockey was positively impacted when the BMO Centre opened in 2010, resulting in a reduction in their arena travel from approximately 6 facilities to 1. The eighth group, Eastern Shore Minor Hockey Association, will have no change.

Table 5 illustrates the potential change though the example of minor sport impact. Other minor sports are expected to benefit from the same synergy and geographic benefits as illustrated by better overall distribution of the ice inventory.

Table 5 Minor Hockey Participation and Arena Usage

Minor Hockey Data									
	2007/08 Registered Players	2009/10 Registered Players	2011/12 Registered Players	2012/13 Registered Players	2013/14 Weekly Ice Hours	2013/14 Ice Minutes per Player	2013/14 Current Ice Surfaces Used	Proposed Ice Surfaces after Peninsula Consolidation	Proposed Ice Surfaces after Dartmouth Consolidation
Eastern Shore	346	396	357	332	37	11	1	1	1
Cole Harbour	848	827	746	719	103	14	6	5	3
Dartmouth Whalers	990	1014	911	885	119	13	6	6	2
Sackville Minor	792	826	839	839	71	8	4	4	4
Bedford Minor	887	928	962	1022	129	12	1	1	1
TASA	854	955	995	958	100.5	10	5	5	4
Halifax Hawkes	978	955	936	924	104	11	8	5	4
Chebucto Minor	506	545	503	564	57.5	10	5	4	4

The following table is an illustration of the number of ice surfaces currently in each minor hockey geographic district, and the proposed future allocation.

Table 6 Arenas in Each Minor Hockey Association District

Arenas in each Minor Hockey Association District				
	Current Arenas Used	# of Ice Surfaces	Future Arenas Used	# of Ice Surfaces
Bedford Minor	BMO Centre/Lebrun/Dome	6	BMO Centre/Dome	5
Chebucto Minor	Spryfield Arena	1	Spryfield Arena	1
Cole Harbour	Cole Harbour Place	2	Cole Harbour Place	2
Dartmouth Whalers	Bowles Arena/Gray Arena/Dartmouth Sportsplex (DSP)/Shearwater/Shannon	5	DSP/Shearwater/New	6
Eastern Shore	Eastern Shore Centre	1	Eastern Shore Centre	1
Halifax Hawkes	Centennial/Devonshire Arena/Forum Complex/Metro Centre/Saint Mary's Arena	6	Metro Centre/SMU/New	6
Sackville Minor	Sackville Sports Stadium(SSS) /Sackville and District Community Arena(SADCA)	2	SSS/SADCA	2
TASA	St. Margarets Centre (SMC)	2	SMC	2
Total Ice Surfaces		25		25

Process of Consolidation

The process to determine recommendation for the consolidation of aging arenas required several steps.

Step 1 Council Direction

In August 2012, Council approved the following recommendation: “Approve the Long Term Arena Strategy (Attachment 1 of the July 26, 2012 revised staff report) in principle with the exception of the timeline for the Peninsula and Dartmouth consolidations and the location of the Peninsula 4-Pad, and direct staff to undertake further assessment of those aspects based on new information received since the completion of the strategy.” As a result of the motion, a detailed analysis of potential sites, configurations of arena facilities, review of potential partnership opportunities, facility operating assumptions and cost – benefit analysis was undertaken in order to achieve the deliverables required for Regional Council’s deliberations.

Regional Council also asked staff to consider partnerships and funding opportunities that would add benefit the consolidation project. Three submissions were received that represent various degrees of partnership benefit and format. All proposals relate to potential Peninsula locations, and provide synergy and economies of scale that have been considered in the analysis.

Step 2 Site Selection Analysis

Preliminary sites on Peninsula Halifax and in Dartmouth were identified that would meet the size and criteria related to recreation facility development. Seven preliminary sites on Peninsula Halifax and nine preliminary sites in Dartmouth were identified for evaluation (Schedule 9). The sites were analysed using the following evaluation criteria:

1. Land Ownership;
2. Site Accessibility
3. Site Conditions and Suitability;
4. Planning Regulations;
5. Program Delivery Opportunities; and
6. Community Planning Context.

Each of the six categories contained detailed evaluation components within, as outlined in Schedule 9.

Step 3 Preliminary Site Analysis

Three sites on the Peninsula and three sites in Dartmouth were shortlisted as a result of the analysis carried out in Step 2, and are listed in the following table, with their respective scores.

Table 7 Short-Listed Sites

Halifax Sites	Score	Dartmouth Sites	Score
Halifax Forum Site, Windsor Street	3.434	Commodore Drive, Dartmouth Crossing	4.501
Connolly Street, CFB Halifax	3.369	Maybank Fields, Woodland Avenue	3.626
South Street, across from IWK Hospital	1.777	The Quarry, Dartmouth Crossing	3.348

These short-listed sites scored highest for each geographic area and provided the best over-all conditions for potential multi-pad arena consolidations. The Step 2 analysis illustrated the fact that the South Street site was complicated and did not have capacity for a 3-Pad or 4-Pad arena. However, it was included in the short-list because it had been identified prior to the commencement of the analysis in the Joint Proposal for a Twin-Pad Arena on that site by Dalhousie and Saint Mary's Universities.

Due to recent discussions regarding the potential for a stadium and due to the recent transition of Shannon Park to Canada Lands Company, Shannon Park was included as a fourth option for Dartmouth. Shannon Park has been the subject of considerable review and public consultation in the past several years related to suitability for large-scale public recreation or sport venues.

Analysis of the Shannon Park site was completed over the past several years, and the reports listed below were carried out specifically to evaluate the suitability of the site as a location for large-scale sport and recreation facility projects. Beginning with Commonwealth Games planning and more recently related to planning for an outdoor stadium, the Shannon Park site consistently scored high for this type of development. Specifically, public consultation, (Stadium Analysis - Phase 2), which included public meetings, a telephone survey and an on-line survey, indicated that of those people participating in the consultation, Shannon Park was favored as the preferred site for a proposed outdoor venue by a count of 2 to 1.

- March 2012 Draft Site Plan – Outdoor Stadium
- March 2012 Land – Use Planning Considerations
- February 2012 Shannon Park Stadium & Recreation Campus
Traffic Impact Analysis
- November 2011 Stadium Analysis - Phase 2 Site Selection Matrix
- February 2007 Summary of Available Environmental Information
- September 2006 Order of Magnitude Real Estate Consultancy – Shannon Park
- September 2006 Commonwealth Games Draft Site Plan –
Large Scale Recreation / Sport Venues

Step 4 Potential Facility Configurations of Ice Surfaces

Schedule 8 (JDA/Perkins+Will Concept Design and Site Analysis) includes detailed information regarding each of the six short-listed sites, and each site's capacity to accommodate multi-pad arena configurations. It should be noted that due to its length, the executive summary of the document is attached as Schedule 8, with the full document available at the indicated link.

Two configurations (3-Pad and 4-Pad) were considered at each site. For illustration purposes, preliminary conceptual design was undertaken, and is included in the JDA/Perkins+Will report. The two recommended site maps and configurations are available for reference in Schedule 2.

Step 5 Concept Design and Site Suitability

JDA MacKenzie Architects and Perkins+Will Architects were hired to complete a "Concept Design and Site Analysis," (Schedule 8) regarding the six short-listed sites in Table 7. The analysis included the following information sources:

- Burnside Wetlands Delineation and Constraints Mapping (CBCL, February 2007)
- Geotechnical Investigation, Proposed Sports Facility, Spectacle Lake Site (JWA Limited, March 2004)
- Long Term Arena Study- 10 Year Capital Action Plan, 40+ Years of Citizen Benefit (HRM, June 2012)
- Multi-Pad Ice Facilities- Evaluation Process for Halifax Dartmouth Urban Core (HRM, April 2013)
- RP+5- Draft Regional Plan 5 Year review (HRM, May 2013)
- Municipal Planning Strategy- Halifax (HRM, August 2013)
- Land Use By-Law- Halifax Peninsula (HRM, August 2013)
- HRM Geographic Information System- Layer Information (HRM, 2013)
- BMO Centre, 4 Pad Arena- Building and Site Tour (August 2013)
- Site Visits and Documentation of the 6 Sites

The site analysis resulted in identification of the following two sites as highest scoring and provides the following commentary:

1. *Commodore Drive – Co-location with Burnside Artificial Turf*

The site has good street access and includes existing all weather sports fields and beach volleyball courts. It features natural amenities with Spectacle Lake, wetlands and small woods already partially opened up with trails. The site accommodates a building layout similar to the preferred arena prototype and fits either a 3 or 4-Pad facility. In addition, the site planning has illustrated the fact that appropriate capacity for on-site parking for either a 3-pad or 4-pad configuration exists as well. While the site is isolated from residential neighbourhoods and the more densely developed areas of the municipality, it has good regional access in multiple transportation modes.

The property is owned by HRM and development costs are comparatively low. The benefits of the location are the synergies created with the existing all-weather sports fields and the year-round recreational opportunities of the natural features.

2. *Windsor Street (existing Halifax Forum Site)*

The site provides an opportunity to continue the recreational use on an important civic location. The property is owned by HRM, but development costs need to take into account demolition of the existing facility and investigate opportunities for preservation or re-use of historic building components.

A new multi-pad arena at this location would benefit from the urban character and good access for multiple transportation modes: walking, cycling, public transportation and vehicles. A new arena facility in this location could resonate beyond the site and has the potential to become a new Halifax landmark with significant and memorable public spaces. The site is appropriate for a regional arena facility with multiple recreational components such as a walking track or gymnasium which create program synergies and can serve the closer neighbourhoods. More importantly, it is an opportunity to build the next generation of civic recreational spaces on a historic site.

However, while the preferred sites reflect the results of the site analysis, the recommendations reflect opportunities related to a broader scope and includes both a potential partnership that offers economies of scale and redevelopment opportunities not available elsewhere and the opportunity for the creation of a recreation/event campus as a catalyst for community building. While not the highest scoring site, the Connolly Street site, as indicated in Table 7, scored similarly to the Windsor Street site and has similar site access. Further, the site analysis indicates that the facility has good vehicular, active transportation and pedestrian access. The proposed facility could be situated with the main public amenities facing southwest onto a landscaped plaza and play area at the corner of Connolly and Dudley Streets. This placement and orientation creates an open green space linking the proposed new arena with the neighbouring family resource centre and curling club. The area could be landscaped and could include playground apparatus, volleyball courts and other amenities.

Step 6 Review of Partnership Proposals (Halifax) and Municipal Scenarios (Dartmouth) and Detailed Scenario Review

The review of the partnership proposals received and the Dartmouth options resulted in the development of scenarios for each area.

Halifax Scenario 1: Proposed Partnership from Canadian Forces Base (CFB) Halifax (4-Pad) (Schedule 5)

Highlights of the benefits of the proposed partnership with CFB Halifax as submitted include: “The Department of National Defense and the Canadian Armed Forces are in a period of great renewal, which includes seeking strategic partnerships that will result in cost-effective solutions to the current business models. The proposed partnership between CFB Halifax and HRM to build a 4-Pad arena in Windsor Park addresses several of the strategic objectives found in the Defense Renewal Plan, the MARLANT Realty Rationalization Plan and the Capital Asset Plan.

The proposed partnership is expected to benefit the military community in Halifax as it allows the following:

1. Connection with the community by building a community and recreational hub in Windsor Park;
2. Development of the right mix of in-house and external delivery options, for example the reduction of maintenance and repair; and
3. Allows the Base to remain focused on defense excellence while still providing programming and services that enhance the quality of life for the Canadian Armed Forces.”

CFB Halifax indicates that the proposal is seen to be more than a co-location of arenas, but rather a shared vision between CFB Halifax and the HRM for the future of sport and recreation in the community. The Draft Conceptual Plan for a potential partnership with CFB Halifax indicates a formal desire to discuss a potential 4-Pad arena partnership in Windsor Park.

Components of the proposal include the following:

- The proposal is related to the closure of the DND Shannon Park Arena;
- With the majority (over 80%) of the military members residing on the Halifax side of the

Harbour, location of the proposed 4-Pad arena in Halifax is key to the proposal; and

- Windsor Park is determined as the proposed location.

CFB Halifax has indicated in their proposal that they have two options:

1. Partner with HRM and build a 4-Pad arena which would replace Shannon Park Arena and three municipal arenas (Devonshire, Forum, and Civic); or
2. Build a single pad in Windsor Park. It is indicated in the report that this would create a gap of approximately 10 years between the closure of Shannon Park Arena and the opening of the new facility. Military programming would all be relocated to the Shearwater Arena in the interim.

The draft conceptual design includes:

- 4-Pad arena (NHL sized); 3-Pads with less than 100 seats per arena, and 1-Pad with approximately 640 seats;
- On-site parking spaces available (360) at no cost to user groups; and
- Adequate street-side parking in the area to accommodate overflow during tournaments and events.

The draft partnership concept includes:

- Formal, legally binding mutually acceptable agreement;
- One ice surface (or equivalency) would be dedicated solely for the use of CFB Halifax and the other three would be dedicated to HRM's needs;
- HRM Community Access Plan and DND mandated requirements would be considered when allocating ice usage; and
- CFB Halifax have identified a Federal Grant program that they are eligible to apply for in order to assist in community partnership programs of this nature. The fund currently has capacity to assist up to a maximum of \$5M. The value of this grant is estimated to be able to offset HRM's portion of the land contribution. CFB Halifax is currently initiating an application process for this fund.

The draft financial considerations of this scenario include:

- Total estimated capital cost of \$45M with 75% HRM and 25% CFB Halifax;
- Contribution and ownership to be consistent with the capital funding model (75% HRM and 25% CFB Halifax);
- Profit Sharing would be consistent with ownership;
- Land contribution would be made by CFB Halifax (may be divestment, or long-term lease). CFB Halifax has indicated that the value of the land will be offset in capital cost contribution;
- Estimated operating surplus of \$520K is included (HRM's share of total is \$390K);
- Estimated annual facility life-cycle reserve contribution of \$200K is included (HRM's share of total is \$150K);

- This proposal fits within the purpose of the Strategic Growth Reserve “which allows the Municipality to take advantage of opportunities that may arise outside the normal operating and capital budgets”; and
- This proposal also fits within the defined utilization for the Regional Facilities Expansion Reserve.

CFB Halifax intends to close the Shannon Park Arena in the near future. If this closure occurs, the current military users of the Shannon Park Arena would be relocated to the Shearwater Arena. Non-military access to the Shearwater Arena would no longer be available as a result of this relocation, removing all public access to both DND arenas. This would have a negative impact to public arena users by approximately 35 hours per week. This impact is particularly problematic as most community access is during prime time.

Should HRM decide to partner with CFB Halifax for the construction of a 4-Pad arena at Windsor Park, CFB Halifax proposes to keep the Shannon Park Arena open until a new facility is completed. Upon completion of the new facility, three municipal arenas would be declared surplus:

1. Devonshire Arena;
2. Halifax Forum Arena; and
3. Civic Arena.

There is high degree of willingness by CFB Halifax for further conversation and negotiation in order to ensure that the service delivery needs and parameters for both potential partners are met.

Impact of CFB Halifax Proposal

Potential for Redevelopment

The Halifax Forum site (8.29 acres) is part of a larger block of land bounded by Young, Robie, Almon and Windsor Streets. This approximately 42-acre block of land is large with consolidated development, due to its relative massive size when compared to traditional city blocks in Halifax and elsewhere in North America (traditional city blocks tend to range in size between one and five acres). Its central location on the peninsula and its comparatively low intensity of development make it a prime site for redevelopment and densification. However, its sheer size currently limits its redevelopment potential.

In order to properly maximize the redevelopment potential of the Young, Robie, Almon and Windsor Streets, there may be a need to eventually introduce new streets to break up its massive size. The establishment of a finer block pattern in the area will not only increase the amount of street frontage along which new buildings could be constructed, it would also provide a higher level of connectivity that could facilitate pedestrian, bicycle, transit and vehicular circulation within the area. Based on initial assessment, redevelopment of the land could result in an estimated value ranging from \$18-30M, depending on market value at the time of disposal.

Advancement of the CFB Halifax proposal would allow for the retirement of the Devonshire, the Forum and the Civic arenas. The Forum site would then be considered surplus to recreation needs, and review could proceed regarding future redevelopment opportunities for that site.

If Regional Council directs staff to maintain the Forum site for ice related usage, redevelopment of the Young, Robie, Almon and Windsor street area would not be possible. Key assumptions related to and included in the analysis of the CFB Halifax proposal, is the opportunity that the reconfiguration of the Forum site would allow the sale of the existing Forum site for redevelopment.

Historical Significance of the Halifax Forum

The Forum was registered as a municipal heritage property on October 28, 2003. The Halifax Forum was built on lands which had been previously been used as Provincial Exhibition Grounds since 1897. In 1926, construction began on an artificial covered ice rink designed by local architect Andrew Cobb.

Opportunities exist for the community and the municipality if the Forum complex is determined to be surplus to recreation needs. As a registered heritage building and site, the legislation allows for it to be put on the market for sale as is, indicating to potential purchasers that the registration status would be required to remain. Alternatives to this would include a partial or full de-registration process that would include public participation and approval by Regional Council. Overall, the redevelopment of the Forum site could be a renewal project for the entire area.

Implications to User Groups

There would be no impact to user-groups during the construction period. All of the existing municipal and DND arenas would continue to be operational. Once the proposed new facility is opened, the following changes would occur:

1. Devonshire Arena would close and Devonshire user groups would relocate to the new facility.
2. Halifax Forum and Civic arenas would close and the user groups currently at that location would relocate to the new facility. It is unknown at this time if Saint Mary's and Dalhousie Universities, currently utilizing the Halifax Forum, would move to the new location.
3. Shannon Park Arena would close and the military user groups would relocate to the new facility. Dartmouth Whalers Minor Hockey (currently with approximately 27 hours per week at DND arenas), and Cole Harbour Bel Ayr Minor Hockey (with 11 hours per week at DND arenas) would be accommodated either at the new facility at Windsor Park, or by reallocating ice time between Dartmouth Sportsplex and the new facility. Currently Dartmouth Sportsplex allocates approximately only 14 of a possible 44 prime time hours each week to minor sport programming.
4. CFB Halifax has indicated that there would be no negative disruption to their user groups as a result of using the current ball field as the location for the proposed partnership 4-Pad arena. They have experienced declining usage of the field in the last few years, and the field is not utilized as part of the municipal inventory.

CFB Halifax supports the use of the proposed 4-Pad facility as a community hub that will host many of the same types of community events and activities currently hosted at the Forum. The activities and events that are currently not able to take place on the peninsula because of capacity would be reviewed as an ongoing task and would be incorporated at the new facility when appropriate. A sample list of activities and events currently occurring at the Halifax Forum is

included as Schedule 10. With the exception of Bingo operations currently taking place at the Halifax Forum, there is no anticipated negative impact related to non-ice activities as a result of this proposal.

Bingo operations currently underway at the Halifax Forum complex would not be undertaken at the CFB Halifax proposed partnership 4-Pad. Discussion with provincial experts indicate that bingo players would likely be accommodated in other non-profit bingo operations on and around peninsula Halifax. As Bingo is not an HRM mandated recreational activity but rather a gaming activity overseen by the Provincial Government, this is not identified as a negative implication for the CFB Halifax proposal, but may cause some short-term inconvenience for bingo enthusiasts while they seek new venues.

Halifax Scenario 2: Joint Proposal from Saint Mary's University and Dalhousie University (Schedule 6)

The Joint Proposal from Saint Mary's and Dalhousie Universities outlines:

“HRM is important to the universities and the universities are important to HRM. There is significant public value in the partnership between the universities / HRM / Province in developing recreational infrastructure. This project could represent a physical icon for positive collaboration between multiple levels of government and two Halifax universities with tangible benefits to constituents and the public. The universities are seeking direction from HRM on the partnership proposal. Understanding that we're moving towards a goal of a joint arena project is important in the short term. The timing of building the facility is also important but HRM may want to proceed with developing other arena projects while the partnership agreement and planning is underway for our joint two-pad arena proposal.”

The joint proposal to partner with Halifax Regional Municipality on the development of a twin Pad arena in the south-end of Halifax also includes the assumption of partnership support from the Provincial Government in the form of a land lease, or grant. Correspondence received on March 24, 2014 by Dalhousie and Saint Mary's Universities indicates that “the Province of Nova Scotia is aware that the Universities are working together on a proposal to develop a shared arena complex for use by both universities at 5940 South Street, and advises that that the Province is generally supportive of the proposal and is interested in entering into discussions with the Universities to explore options for the acquisition of the property.” The letter further indicates that, “conveyance or lease of the property must consider the fair market value of the property. The property, 5940 South Street is currently assessed at \$8,070,800.

The draft conceptual design includes:

- Twin-Pad arena; 1 ice surface with minimal seating and 1 ice surface with spectator capacity to be determined, estimated at 1200 seats; and
- Under-facility parking structure (on-site, grade level parking is not an option as per site restrictions).

The draft partnership concept includes:

- Formal legally binding mutually acceptable agreement;
- Shared prime time access;
- Compliance with municipal operating standards (ie. Community Access Plan, Ice

Allocation Policy, Centralized Scheduling Process, etc.);

- Universities to have full responsibility for cost, upkeep, and management of under-facility parking structure; and
- Day-time and non-municipal facility users will be charged a fee for parking at the facility.

The draft financial considerations of this scenario include:

- Total estimated capital cost is \$28.5M – \$32.3M;
- Contribution and ownership to be consistent with the capital funding model (50% HRM and 50% Universities);
- Profit Sharing / annual deficit responsibility would be consistent with ownership;
- Ongoing recapitalization (\$7.2M) would be required for Halifax Forum and Civic arenas;
- Estimated annual operations are cost-neutral, based on the 30 week regular season;
- Estimated annual operations do not include contribution to a facility life-cycle reserve
- Shared annual recapitalization requirements for the proposed facility;
- This proposal fits within the purpose of the Strategic Growth Reserve “which allows the Municipality to take advantage of opportunities that may arise outside the normal operating and capital budgets; and
- This proposal also fits within the defined utilization for the Regional Facilities Expansion Reserve.

The joint proposal would replace the existing Saint Mary’s Arena and result in the Devonshire Arena being closed, and able to be declared surplus to recreation needs. The universities have defined their ice requirement to be satisfied with one arena between them both. With this proposal, the existing Halifax Forum Complex would remain in the arena inventory as is and therefore would still require ongoing recapitalization. This proposal suggests that shared ownership of the facility would be a preferred outcome, and proposes that a third-party operator model be adopted.

The proposed site for this joint proposal is on South Street, across from the IWK Health Centre. This site was one of the three short-listed sites included in the JDA/Perkins +Will Report. That report indicated that “limited access and square footage on the site present the following limitations:

- The proposed site does not have the capacity to construct a 3 or 4-Pad facility. The joint partnership would be restricted to a twin-pad facility as outlined in the proposal; and
- The facility would be required to have underground parking as the site does not have sufficient capacity for a twin-pad arena with adequate surface parking.

The joint proposal states that the cost of constructing underground parking would be the responsibility of the Universities, not HRM. The challenge would then be related to recovery of those costs. It is noted in the joint proposal that “The parking is proposed to be self-financed through the rate structure”. The Universities have confirmed that there is no intent to charge fees for public arena users.

Impact of Joint University Proposal

Considerations Related to South Street Site

The site identified in the University proposal is currently a designated gravel parking lot utilized by monthly and weekly workers in the area. The Universities have estimated that approximately 210 - 220 cars per day use the lot Monday to Friday between 8:00am and 5:00pm, and 20 – 40 cars on evenings and weekends. The proposal calls for an under-facility parking structure that is estimated to accommodate approximately 200 cars. In order to accommodate the needs of the twin-pad arena users (estimated at 90 parking spots per ice surface, 180 total), and the ongoing needs of the 200+ people per day that currently park on the site, the proposed structure may need to be larger than currently proposed. Identified parking-related issues include:

- Monday to Friday day-time arena users will have limited access to parking on site;
- Tournaments will add additional pressure to parking in the area;
- Overlap between day-time parkers and evening arena users could cause frustration for both user groups;
- Not all day-time parkers currently using the gravel lot will be able to be accommodated in the proposed under-facility parking structure;
- It is expected that current users at the gravel lot will be required to pay higher fees to use the under-facility parking structure;
- Street-side parking in the area for day-time, overflow and tournament traffic is limited;
- Other for-fee parking structures in the area (ie IWK Health Centre) may have some availability for South Street arena users; and
- Currently, the peak hour volume (two way) on South Street is approximately 700 vehicles (4PM), and the daily volume on South Street is 5400 vehicles.

Operation of a twin-pad arena on South Street would result in approximately 90 cars per hour travelling along South Street, predominately between the hours of 5:00pm, and 11:00pm. This additional traffic flow would increase the daily volume to 5940 vehicles. Except for tournaments, special events and holidays, this increase is not likely to negatively affect the current users of South Street because the volume increase takes place outside of peak times. During peak prime-time events like tournaments, it is likely that additional traffic management and security would be required at this location, particularly as it relates to the emergency entrance to the IWK Health Centre, which is directly across from the proposed entrance to the twin-pad arena.

In addition, the surrounding street parking is in high demand and already heavily used with limited options to consider any other additional parking spots. Because the street parking is free on evenings after 6:00pm and on weekends, it is already heavily utilized during those times in particular, resulting in limited access for potential arena users in that area.

IWK Health Centre

The Universities have consulted with the IWK Health Centre on this proposal and its potential impact to the IWK emergency entrance. A follow up meeting was held with IWK, University and HRM representatives to discuss the challenges. While concerns exist related to traffic, parking and construction, the IWK confirmed that the challenges are not insurmountable and the benefits of the proposed arena exceed the challenges.

2012 Petition from Residents to Peninsula Community Council

On June 12, 2012, Councillor Uteck submitted a petition containing 57 signatures requesting that Peninsula Community Council amend the Halifax Peninsula Land Use By-law to prohibit rinks and arenas in a U-1, Low Density University Zone, which generally is the lands owned by the Universities. The petition was submitted by a group representing residents in the Oakland Road, Dalhousie Street, South Street, Studley Avenue, Marlborough Avenue and Beaufort Avenue area of Peninsula Halifax.

As a result of the petition, municipal staff prepared an information report to Regional Council (August 1, 2012) which summarized that the U-1 zoning is appropriate to allow for arena planning on the peninsula, and that “The three institutions that share the U-1 Zone on Peninsula Halifax were all informed of the petition and given the opportunity to comment on the amendment request. Two of these institutions, Dalhousie University and Saint Mary’s University, provided written comments. Both institutions are opposed to the requested amendments.” The report did not support the requested amendments to the zoning at that time.

Site Planning Considerations

The South Street site proposed by the Universities for the joint partnership is currently designated Medium Density Residential (MDR) under the South End Area Plan (Halifax MPS) and is zoned R-2A (General Residential Conversion). This zone does not permit a twin-pad arena facility. The Municipal Planning Strategy (MPS) does permit consideration of a development agreement for such a facility. In addition, the site is impacted by a height precinct of 35 feet. This height precinct is embedded in the South End Area Plan (District 2) and would require a plan amendment to change.

Therefore, the joint University proposal would require a MPS plan amendment and a development agreement. It is estimated that a combined plan amendment and development agreement process, should Council wish to pursue this scenario, would require a minimum of one year, and would include a public information meeting, a staff report, first reading at Regional Council, a public hearing, and then approval of the MPS amendment by Regional Council and Service Nova Scotia and Municipal Relations.

The Universities have indicated that they would not be negatively impacted by the length of time necessary to carry out this process should Regional Council wish to proceed with their proposal.

Ongoing Municipal Recapitalization Requirements

Whereas the joint University proposal allows for the retirement of one municipal arena (Devonshire Arena), it requires the ongoing operation and recapitalization of the Halifax Forum and Civic Arenas. The Facility Condition Assessment documents this cost for a 25 year period at \$7.2M, and would result in state of good repair improvements only at the facilities.

Potential for Redevelopment

The Joint University proposal would allow for the closure and decommissioning of the Devonshire Arena. Although the arena would be declared surplus for recreation purposes, the site would be retained for a proposed replacement facility for the current Needham Centre. This proposed project was identified in the 2008 Community Facility Master Plan (CFMP), further defined in the 2010 Peninsula Recreation Services and Facilities Review, and will be confirmed

in the upcoming CFMP Update. Further it is assumed that the Saint Mary's Alumni Arena would be declared surplus as a result of this proposal. Redevelopment potential for the existing Saint Mary's Arena site is specific to university purposes and not considered to be municipal benefit.

Implications to User Groups

The total inventory would be reduced to 24 ice surfaces with the closure of Shannon Park arena. In addition, the closure would result in the transfer of military usage to Shearwater Arena, further reducing the community usage of that arena. This would result in no impact to Peninsula user-groups during the construction period. However, the closure to the Shannon Park Arena would have a negative impact on minor sport and adult user groups, primarily Dartmouth groups. Existing Shannon Park Arena users, Dartmouth Whalers and Cole Harbour Bel Ayr Minor Hockey Associations, would be impacted by the closure of Shannon Park Arena and the shift of military usage at Shannon Park Arena to Shearwater Arena. This would result in Dartmouth Whalers being reduced by approximately 27 hours per week, and Cole Harbour Bel Ayr being reduced by approximately 11 hours per week. They could be accommodated either at the new facility or by reallocating ice time between Dartmouth Sportsplex and the new facility. However, in order to achieve this reallocation, other user groups, primarily adults, would be impacted with a reduction in their ice allocations. Currently Dartmouth Sportsplex allocates approximately only 14 of a possible 44 prime time hours each week to minor sport programming.

Once the proposed new facility is opened, the Devonshire Arena would close and be declared surplus to ice needs. Devonshire user groups would relocate to the new Peninsula 4-Pad.

Halifax Scenario 3: Proposal from Halifax Forum Community Association (HFCA) – Unsolicited Alternative to Construct and Operate a Third Pad (Schedule 7)

The HFCA submitted a proposal which would provide an alternative to the LTAS recommendation approved by Council. The LTAS recommendation outlined the replacement of the Halifax Forum and Civic arenas with a new three or four multi-pad arena on the existing Forum site. The Board proposal focusses on a complete overhaul of the existing Forum Complex, and includes the addition of a third arena on the site. The submission includes:

- LEED Silver equivalency;
- CLASS C estimated capital cost; and
- Capacity for the plan to incorporate additional municipal infrastructure.

The HFCA submission states that, “The Board agrees with many of the principles of the LTAS and the Community Facility Master Plan (CFMP) including:

- Consolidating aging arenas into multi-Pad arenas is financially responsible;
- 4-Pads in one facility is the optimum number of ice surfaces;
- Facilities should be part of a larger complex;
- Support for people with disabilities should be provided;
- Facilities should be energy efficient;
- Construction would at no time interrupt on-ice services of the Forum or Civic;
- Citizens develop a sense of pride in their facilities; and
- The historical significance of the Forum should be enhanced and not destroyed.”

The draft conceptual design includes:

- Addition of a third ice surface;
- Expansion of the Forum arena and the Civic arena to NHL size;
- Reconfiguration of entrances and exits to allow for accessible pedestrian traffic flow;
- Medium sized multipurpose room / gymnasium addition;
- Refurbishment and replacement of mechanical, refrigeration and electrical systems;
- Refurbishment and replacement of exterior brick-work; and
- Removal of internal columns.

The draft partnership concept includes:

- Municipally owned facility;
- Management of the facility proposed to continue to be operated by the HFCA; and
- The continued operation of bingo as a key revenue / expense is assumed in the proposal. Currently, the HFCA and the Nova Scotia Sport Hall of Fame are the non-profit recipients of the fundraising that is achieved through the bingo operations at the Forum.

The draft financial considerations of the scenario include:

- Total estimated capital cost is \$39M;
- Annual estimated operating surplus (including Bingo revenues) \$590K;
- Annual contribution to a facility life-cycle reserve from surplus funds is estimated at \$200K; and
- This proposal fits within the defined utilization for the Regional Facilities Expansion reserve.

Impact of HFCA Proposal

Bingo

This proposal assumes the long-term continuation of bingo at the Halifax Forum complex.

The HFCA proposal estimates an overall operating surplus of \$590K (before reserve contribution of \$200K). Included in this surplus is \$336K attributed to net bingo operations which includes \$258K in fixed facility costs. Since bingo provides 48% of the overall revenue generated at the Forum, the proposed surplus would be dependent on the long-term popularity and sustainability of the bingo operation.

Research has confirmed that bingo is a way for non-profit entities to generate much-needed revenues, and that particularly in rural communities; bingo continues to thrive and is seen as an opportunity for community members to get together in a social setting as well as a gaming opportunity. Throughout rural HRM, there are many small to medium bingo operations, all of which generate some degree of revenues for their non-profit license holders. In urban context of HRM, the two municipal facilities that operate bingo (Halifax Forum and the Dartmouth Sportsplex) do so at different levels of success. The HFCA is seen as an industry frontrunner in the bingo business and has become so by creating a business model that operates an aggressive marketing and communications program in order to keep and attract bingo players seven nights each week. The Forum is a licensed facility and revenue from alcohol is a small portion (5%) of its overall revenue, one third of that revenue can be attributed by the sale of alcohol from the bingo operation. The Nova Scotia Sport Hall of Fame is the second license holder that operates

out of the Halifax Forum Complex.

Volunteer Board

Whereas the HFCA proposal is specific regarding the intent of the Board to continue in their role as Facility Managers, information regarding a succession plan was received. The Board Chair has indicated that, “There are many factors to membership that must be combined to ensure a continually productive management board, well into the future. The proper blend of experience and new blood are two of these requirements. The HFCA has been considering forming a selection committee and establishing criteria for membership, particular to the needs of the day. Considerations for membership would be HRM residents with sufficient diversity in terms of area of residence, age, gender, ethnicity and occupation.”

Variations on the Proposal

The HFCA has submitted variations on their original proposal in order to illustrate a level of flexibility in the approach. Although the original proposal estimated at \$39M provides the best overall approach to inventory and facility rehabilitation, there are other options at varying degrees of cost estimate. All of the options include the addition of a third ice surface at the Forum, but variable degrees of rehabilitation to the existing Forum Complex. These options range in estimated cost from \$18.4M - \$32.0M.

Although the HFCA proposal includes the capacity for construction of a gymnasium in the overall refurbishment of the facility, recently completed peninsula gymnasia analysis indicates that an additional gymnasium is not required at this time. The identification of weekly availability of prime time in gymnasia provides evidence that a better system of scheduling or providing access is a cost-effective alternative, rather than constructing additional gymnasia on the peninsula.

Implications to User Groups

The total inventory would be reduced to 24 ice surfaces with the closure of Shannon Park arena. In addition, the closure would result in the transfer of military usage to Shearwater Arena, further reducing the community usage of that arena. This would result in no impact to Peninsula user-groups during the construction period. However, similar to the Halifax Scenario 2 implications, the closure of the Shannon Park arena would have a negative impact on user groups, primarily Dartmouth groups. Existing users, Dartmouth Whalers and Cole Harbour Bel Ayr Minor Hockey Associations, would be impacted by the closure of Shannon Park Arena and the shift of military usage at Shannon Park Arena to Shearwater Arena. This would result in Dartmouth Whalers being reduced by approximately 27 hours per week, and Cole Harbour Bel Ayr being reduced by approximately 11 hours per week. They could be accommodated either at the new facility or by reallocating ice time between Dartmouth Sportsplex and the new facility. However, in order to achieve this reallocation, other user groups, primarily adults, would be impacted with a reduction in their ice allocations. Currently Dartmouth Sportsplex allocates approximately only 14 of a possible 44 prime time hours each week to minor sport programming.

Dartmouth Consolidations

As outlined in the site selection process, the Commodore Drive site was determined to be the preferred Dartmouth site. However, since the completion of that analysis, the Shannon Park

lands have become available for consideration of future uses. As a result, that site can now be considered and provides an opportunity for the creation of a recreation/event campus as a catalyst for community building.

Shannon Park Lands

Canada Lands Company recently received title to the Shannon Park lands and as a result, there is now an opportunity to actively engage in discussions seeking opportunities to secure a portion of the Shannon Park site in order to fulfill Council's direction related to the accommodation of a multi-use stadium along with other potential sport / recreation infrastructure such as a multi-pad arena, at that location. While the site analysis determined that Commodore Drive site was the recommended site for the Dartmouth consolidation, the transfer of the Shannon Park lands provides an opportunity to consider it as a potential site for a new multi-pad arena.

As determined during the various analyses on the Shannon Park lands, the site provides opportunity for co-location of recreation amenities and potential transportation services, as well as housing development. HRM's Regional Plan identified the site as "Urban Local Centre" and envisioned a mix of medium to high density residential, commercial, institution and recreation uses with all day public transit connections to the Regional Centre and other development nodes. Because of its location in the transportation network – at a crossroads between the Circumferential Highway, the Mackay Bridge, and Magazine Hill - Shannon Park has the potential to become a multi-modal transportation hub, connecting passengers from Sackville, Dartmouth, and beyond, with the Halifax waterfront.

Recent interest in the Shannon Park lands as a potential site for a future stadium and campus of recreation facilities can now be considered with the transfer of the property to Canada Lands Company. The transfer also allows consideration of the co-location of a future 4-Pad arena on the site. The potential co-location of major recreation amenities would be consistent with the proposed development of the site envisioned under the Regional Plan and could act as a catalyst for community building initiatives.

Therefore, staff recommends that Council investigate the potential for locating the Dartmouth 4-Pad on the Shannon Park lands in order to take advantage of the potential opportunities associated with a recreation/event campus and multi-modal transportation hub in the development of the site.

Dartmouth Scenario 1: Construction of 4-Pad Consolidated Arena – Retirement of Four Aging Arenas

A 4-Pad arena provides synergies and opportunities related to both cost of capital construction and cost of annual operating that a 3-Pad arena cannot achieve. The inclusion of the fourth arena reduces recapitalization requirement, removes an additional aging arena from the inventory and provides the capacity at a proposed 4-Pad configuration for a highly successful operating model.

Consolidation of four arenas:

In order for a 4-Pad option to proceed in Dartmouth without the benefit of a partner, four municipal arenas would be recommended for retirement. This would ensure that the total number of sheets of ice remains appropriate in the municipal inventory (25 total sheets). The

Long Term Arena Strategy identifies the Centennial Arena for future consideration regarding the timing for retirement, and as such, it is the proposed fourth ice surface for inclusion in this scenario.

Two of the four aging arenas proposed for this consolidation are outside of the Dartmouth community. This would not compromise the overall service delivery of ice allocation in the region, but would require discussion and re-location of some user groups to more geographically suited arenas. The maps included in Schedules 3 and 4 illustrate current and proposed future distribution of ice surfaces. In addition, Tables 5 and 6 refer to the various minor sport groups and their current and future access. Regional distribution and equitable access is key to the overall service delivery mandate.

Under a 4-Pad scenario, proposed for retirement upon completion of the new facility would be:

- Bowles Arena;
- Gray Arena;
- Gerald J Lebrun Arena; and
- Centennial Arena.

The draft conceptual design includes:

- 4-Pad arena (NHL sized); 3-Pads with less than 100 seats per arena, and 1-Pad with approximately 640 seats;
- On-site parking spaces available (360) at no cost to user groups;
- Adequate street-side parking in the area to accommodate overflow during tournaments and events;
- Positioning of the facility on the site to allow for indoor viewing of the existing artificial turf facilities at Commodore Drive; and
- Sufficient support amenities (i.e. outdoor access to washrooms to accommodate non-arena user groups at the site). Examples of these groups are recreational hikers, bikers, and spectators at the fields.

While the draft conceptual design was prepared for the Commodore Drive site, the components are transferable to the Shannon Park site, with some minor adjustments. For example, the creation of a recreation/event campus co-located with other potential municipal services could provide additional support amenities.

The draft operating concept includes:

- A potential partner group has not been identified for this Dartmouth scenario;
- Municipally owned and operated facility;
- Management of the facility would be determined in conjunction with final recommendations to Regional Council.

The draft financial considerations include:

- Total estimated capital cost is \$43M;
- Estimated annual operating surplus of \$520K;
- Estimated annual contributions from surplus to a facility life-cycle reserve of \$200K; and
- Estimated sale of land included in analysis.

Implications to User Groups

There would be no impact to user-groups during the construction period. All of the existing municipal arenas would continue to be operational. Once the proposed new facility was opened, the following changes would result:

1. The Bowles and Gray Arenas would close and user groups would relocate to the new Dartmouth facility.
2. Centennial Arena would close and user groups would relocate to the newly opened Peninsula multi-pad.*
3. Gerald J Lebrun Arena** would close and users would relocate to the new Dartmouth facility.
4. Additional relocations would take place to ensure the best possible geographic allocation of ice.

The Halifax Hawkes* currently rent 49 of a total 70 hours per week at the Halifax Forum arena, and the Dartmouth Whalers** currently rent 45 hours per week at the Gerald J Lebrun arena. Bedford Ringette would be able to be relocated to the BMO Centre with 13.5 hours per week. Other minor sport groups currently at the Bowles and Gray Arenas would be relocated to the new Dartmouth multi-pad facility.

Dartmouth Scenario 2: Construction of 3-Pad Consolidated Arena – Retirement of Three Aging Arenas

The analysis for Dartmouth Scenario 2 is based on the construction of a 3-Pad facility in Dartmouth, modeling a 3-Pad version of the BMO Centre revenue and cost estimates, and building configuration. Included in the assumptions is the required closure of three single ice surfaces, upon the completion of the new facility, one outside of the immediate Dartmouth community.

The three arenas included in these assumptions and proposed for retirement upon completion of the new facility are:

- Bowles Arena;
- Gray Arena; and
- Gerald J Lebrun Arena.

Although not as cost effective as the 4-Pad model, the 3-Pad model is more cost effective to construct and operate than three single ice surfaces. In the assumptions, the 3-Pad scenario would generate annual operating surplus with capacity for life-cycle contributions.

In addition, since the 3-Pad scenario assumes retirement of the arenas mentioned above, the Centennial Arena would remain in operation and would require ongoing recapitalization contribution over the next 25 years. This facility is operated by a Volunteer Board and currently operates with a modest annual surplus.

The draft conceptual design includes:

- 3-Pad arena (NHL sized); 3-Pads with less than 100 seats per arena;
- On-site parking spaces available (270) at no cost to user groups;

- Adequate street-side parking in the area to accommodate overflow during tournaments and events;
- Positioning of the facility on the site to allow for indoor viewing of the existing artificial turf facilities at Commodore Drive; and
- Sufficient support amenities (i.e., outdoor access to washrooms to accommodate non-arena user groups at the site). Examples of these groups are recreational hikers, bikers, and spectators at the fields.

While the draft conceptual design was prepared for the Commodore Drive site, the components are transferable to the Shannon Park site, with some minor adjustments. For example, the creation of a recreation/event campus co-located with other potential municipal services could provide additional support amenities.

The draft operating concept includes:

- A potential partner group has not been identified for this Dartmouth scenario;
- Municipally owned and operated facility; and
- Management of the facility would be determined in conjunction with final recommendations to Regional Council.

The draft financial considerations include:

- Total estimated capital cost is \$41.1M (including recapitalization contribution for the Centennial Arena);
- Estimated annual operating surplus of \$160K (based on BMO Centre);
- Estimated annual contributions to a facility life-cycle reserve of \$150K; and
- Estimated sale of land included in analysis.

Implications to User Groups

There would be no impact to user-groups during the construction period. All of the existing municipal arenas would continue to be operational. Once the proposed new facility opened, the following changes would occur:

1. Bowles, Gray and Gerald J Lebrun Arenas would close; and
2. User groups in those facilities would be redistributed to other geographically appropriate venues at that time.

Comparisons of Scenarios

In order to compare key risk considerations related to each scenario, Table 8 outlines eleven categories, each of which impacts some or all scenarios to some degree.

Table 8 Summary of Risks Associated with Each Scenario

		Halifax			Dartmouth	
		Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2
		CFB Halifax Partnership Proposal 4-Pad	Joint Proposal Dalhousie & Saint Mary's Universities Twin-Pad	Halifax Forum Community Association 3-Pad	4-Pad	3-Pad
1	Timeline	Delays depending on agreement with CFB; Potential funding or agreement delays; complicated multi-level negotiations	Planning amendments require approximately 10-12 months to complete prior to construction; complicated multi-level negotiations	Requirement for coordination of work on site while building remains operational	Coordinate with decision on Shannon Park site & use	Coordinate with decision on Shannon Park site & use
2	Land & Arena Ownership	Complicated ownership structure resulting in time delay	Complicated ownership structure resulting in time delay	n/a	Consideration of Shannon Park requires decision on land	Consideration of Shannon Park requires decision on land
3	Construction Challenges	Coordination with DND	Coordination with SMU and DAL and potentially PNS, depending on land ownership; Complexities due to elevated slabs	Retrofitting while building still operational; heritage aspects increase challenges and costs. Anticipated unknown costs due to refurbishment of aging facility	n/a	n/a
4	Capital Cost Assumptions	Estimated at \$45M (75%HRM); Value of land assumed as part of CFB Halifax contribution.	Estimated at \$28M - \$32M (50% HRM) + \$7.2 recapitalization costs for Halifax Forum & Civic. (100% HRM). Excludes site development & parking garage	Estimated \$39M (100%HRM)	Estimated at \$43M (100%HRM)	Estimated at \$39M + \$2.1M recapitalization costs for Centennial Arena. (100%HRM)
5	Land Value and Sales	Federal Grant to offset land value may not be realized. Estimated Sale of Land for Forum site \$18-30M, subject to market value at time of disposal	Lack of formal confirmation regarding land acquisition. If Provincial donation of land not realized, requirement to purchase land valued at \$8M+	n/a	Surplus arenas retained or sold below market value	Surplus arenas retained or sold below market value
6	Parking	n/a	Underground parking due to site constraints; shared access between various users; Fees for some users; traffic control required for events	Existing parking challenges during events; on street parking capacity constraints	n/a	n/a
7	Shannon Park Arena	Shannon Park Arena to be operated until proposed facility is opened.	Shannon Park Arena closed in short term; Reduction in ice inventory with impacts to user groups.	Shannon Park Arena closed in short term; Reduction in ice inventory with impacts to user groups.	Shannon Park Arena closed in short term; Reduction in ice inventory with impacts to user groups.	Shannon Park Arena closed in short term; Reduction in ice inventory with impacts to user groups.

		Halifax			Dartmouth	
		Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2
		CFB Halifax Partnership Proposal 4-Pad	Joint Proposal Dalhousie & Saint Mary's Universities Twin-Pad	Halifax Forum Community Association 3-Pad	4-Pad	3-Pad
8	User Impacts	Relocation of exhibition capability and bingo; no gym option; some Dartmouth users relocated to CFB site from Shannon or displace DSP users; expect universities at new site.	Dartmouth & Cole Harbour users impacted by Shannon Park closure and resulting reduction in available usage at Shearwater (Expected loss 38 hours); no gym option	Dartmouth & Cole Harbour users impacted by Shannon Park closure and resulting reduction in available time at Shearwater (Expected loss 38 hours); expect universities at Forum	Shifts for users across Dartmouth, Halifax and Bedford to new facilities as a result of closures	Shifts for users across Dartmouth and Bedford to new facilities as a result of closures
9	Operating Conditions	Requires agreement with CFB Halifax; staffing model; operating model, etc.	Forum could continue Bingo revenue generation. With only two pads, bingo is required as a revenue line item. Requires agreement with Dal and SMU on staffing model, operating model, etc.	Ongoing risks related to Board governance as outlined in MDF report.	Loss of neighbourhood rinks	Loss of neighbourhood rinks
10	Potential Business Implications on Existing Arenas	Results in closure of Forum Complex and market sale of land; 3 HRM and 1 DND arenas declared surplus.	1 municipal ice surface declared surplus. Reduction in revenues at Forum due to University programs and events relocated to new 2-Pad.	1 municipal ice surface declared surplus	4 municipal ice surfaces declared surplus	3 municipal ice surfaces declared surplus
11	Urban Context	Benefits regional centre planning and redevelopment.	Complicated site; potential conflicts with IWK emergency access/parking; limited on-street parking; zoning change required, community support unknown	Low impact; maintains large block without option for redevelopment	Enhances existing sport and recreation facilities on the site	Enhances existing sport and recreation facilities on the site

Step 7 Financial Analysis

The five scenarios (three in Peninsula Halifax and two in Dartmouth) have been analysed for financial implications and community benefits. The Peninsula scenarios are proposed at three different sites with three different configurations (Twin-Pad, 3-Pad, and 4-Pad). The two Dartmouth scenarios, on the Dartmouth Commodore Drive or Shannon Park locations are a 3-Pad and a 4-Pad configuration.

It is important to note that the scenario analysis summarized in the tables below reflect revenues and expenses of current operating models, (not adjusted for inflation) and assumptions related to the sale of land.

Table 9 summarizes the Halifax consolidation and partnership scenarios:

Table 9 Halifax Consolidations

Estimated Scenario Costs over a 25 year period				
	Status Quo Recap existing	Scenario 1 4-Pad with CFB HRM's share 75% (3 pads)	Scenario 2 2-Pad with Universities	Scenario 3 3-Pad (Forum Board Proposal)
Capital Cost *	\$10.7M	\$33.8M	\$23.2M	\$39.0M
Net Operating Deficit (Surplus)**	(\$0.8M)	(\$9.2M)	(\$3.4M)	(\$13.9M)
Estimate Sale of land proceeds***		(\$18.0M)	-	-
Demolition Costs		\$2.3M	\$0.3M	\$0.3M
Total Net Cost over 25 years	\$9.9M	\$8.9M	\$20.1M	\$25.4M
Incremental cost (savings) over status quo		(\$1.0M)	\$10.2M	\$15.5M

* \$16.0M for capital construction, \$7.2M recapitalization for Halifax Forum and Civic Arenas.

**Scenarios 2 and 3 include net revenue assumptions related to Bingo operations.

*** Assumes sale of Forum site. Estimated Sale of Land for Forum site \$18-30M, subject to planning process and market value at time of disposal.

Table 10 summarizes the Dartmouth consolidation scenarios:

Table 10 Dartmouth Consolidations

Estimated Scenario Costs over a 25 year period			
	Status Quo Recap existing	Scenario 1 4-Pad	Scenario 2 3-Pad
Capital Cost	\$9.5M	\$43.0M	\$41.1M
Net Operating Deficit (Surplus)	\$11.2M	(\$12.3M)	(\$4.7M)
Estimated Sale of land proceeds*		(\$5.2M)	(\$3.8M)
Demolition Costs**		\$1.3M	\$1.0M
Total Net Cost over 25 years	\$20.7M	\$26.8M	\$33.6M
Incremental cost (savings) over status quo		\$6.1M	\$12.9M

*Assumes sale of all surplus properties

** Assumes demolition of all surplus buildings.

The figures above do not include annual debt payments that would be associated with cost of borrowing if required, which could be between \$360K and \$1.0M annually per facility.

Highlights of the 25 year financial data presented in Tables 9 and 10 are as follows:

- capital costs related to consolidations are estimated to be \$3.0M - \$22.8M more per facility over status quo;
- the CFB Halifax partnership proposal is the only scenario that will provide incremental savings over status quo of approximately \$1.0M; and
- assuming annual reserve contributions (estimated at \$50K per ice sheet), and debt servicing if required (estimated at \$360K to \$1M annually), HRM would not benefit financially by proceeding with new builds over recapitalization.

As a snap-shot, Table 11 summarizes the key components of the five scenarios as a preliminary review of capital costs, and net operating opportunities. The table also illustrates ice surfaces that would be declared surplus to recreation needs as a result, and the location for each.

Table 11 Project Summary Comparison

	Halifax Peninsula			Dartmouth	
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2
	CFB Halifax Partnership Proposal	Dalhousie & Saint Mary's Universities Joint Proposal	Halifax Forum Community Association Alternative Proposal	4-Pad	3-Pad
Location	Windsor Park	South Street	Existing site	Commodore Drive/Shannon Park	Commodore Drive/Shannon Park
# pads	4 (HRM3, CFB1)	2 (HRM1, Universities 1)	3 (HRM3)	4 HRM	3 HRM
# of arenas to Retire	3 (Forum, Civic, Devonshire)	1 (Devonshire)	3 (Forum, Civic, Devonshire)	4 (Gray, Bowles, Gerald J Lebrun, Centennial)	3 (Gray, Bowles, Gerald J Lebrun)
# of arenas to Recap	0	2 (Forum, Civic)	0	0	1 (Centennial)
Capital cost (est) ***	\$33.8M	\$23.2M	\$39.0M	\$43.0M	\$41.1M
Annual operating surplus (deficit) *	\$520K (HRM 75%, CFB 25%)	\$0	\$590K**	\$520K	\$160K
Total Net Cost over 25 years	\$8.9M	\$20.1M	\$25.4M	\$26.8M	\$33.6M

*Before Facility Life-Cycle Capital Reserve; **Includes Bingo Revenues

***Scenario 2Halifax includes \$16.0M for capital construction, \$7.2M recapitalization for Halifax Forum and Civic Arenas, and Scenario 2 Dartmouth includes \$39.0M for capital construction, \$2.1M recapitalization for Centennial Arena.

Recapitalization Benchmarking

In order to provide context to the recommendations regarding cost and benefit of each scenario, information from Facility Condition Assessments (FCA) that were completed in 2012 for all of the facilities reviewed in this report were used. The FCAs were conducted by Capital Management Engineering Ltd using a total cost for a 25 year period. As a result, each scenario cost was estimated over 25 years for comparison. While recapitalization of existing arenas was not the direction of Council, an assessment was deemed necessary as a benchmark against the proposed scenarios.

It should be noted that recapitalization forecasts normal upgrades (state of good repair) meant to ensure that systems generally do not fail. Forecasts do not predict or include contingencies for potential catastrophic failures to systems or infrastructure, nor do they consider overall depreciation of the building envelope or costs to enhance the user experience. Table 12 outlines the breakdown of recapitalization costs.

Table 12 Summary of FCA Recapitalization Costs (25 Years) (In '000)

Recap	Devonshire	Bowles	Gray	LeBrun	Forum	Centennial	
1-5 years	\$1,500	\$600	\$900	\$1,200	\$2,000	\$600	
6-10 years	\$0	\$200	\$300	\$300	\$500	\$200	
11-15 years	\$300	\$400	\$300	\$300	\$2,000	\$100	
16-20 years	\$100	\$200	\$200	\$300	\$900	\$400	
21-25 years	\$1,200	\$500	\$400	\$300	\$900	\$500	
Subtotal	\$3,100	\$1,900	\$2,100	\$2,400	\$6,300	\$1,800	
Soft Costs*	\$400	\$300	\$300	\$400	\$900	\$300	
Total	\$3,500	\$2,200	\$2,400	\$2,800	\$7,200	\$2,100	\$20,200

*Soft Costs are 15% of the subtotal and includes such things as consultant fees, design fees, taxes, etc.

PROPOSED IMPLEMENTATION PLAN

It is recommended that the implementation of the consolidations:

- a) Partnership opportunity: As directed by Regional Council, the successful incorporation of a partner in the provision of arena infrastructure allows for the sharing of capital construction and operating risks and rewards. It also provides a flag-ship facility opportunity in the Regional Centre – Peninsula Halifax.
- b) Long-term financial viability: As represented in economies of scale related to capital construction and operations of a 4-Pad facility, a 4-Pad facility is the only scenario which results in operating synergies that produce annual operating surplus sufficient to provide life-cycle reserve contributions.
- c) Retirement of aging arenas: The goal of the LTAS is directly related to the retirement and replacement of aging arenas. Phase 1 (below) represents the most cost effective consolidation approach, and would result in three of seven municipally owned arena retirements, along with one DND owned arena retirement. The other four will be addressed in the Dartmouth recommendation.

- d) Geographic and site selection considerations: Limitations on space, traffic flow, zoning and building type related to other potential sites on the Peninsula are not impediments at the Windsor Park site. The site will accommodate a 4-Pad arena along with sufficient parking. Current zoning supports the initiative, and the location is conducive to access from all areas of the municipality because of the arterial roadways and access to the bridge.

Phase 1 Halifax - Proceed with Scenario 1, 4-Pad Partnership with CFB Halifax

The proposal brought forward by CFB Halifax is an opportunity to construct and operate a joint facility to meet the needs of user groups on the Peninsula. It presents the opportunity for cost sharing for construction and operation, including capacity to generate funds for lifecycle planning for the facility long-term. Depending on the federal grants received and the net proceeds from the sale of the Forum site, this proposal has the potential to not cost the HRM ratepayers anything for the capital construction.

CFB Halifax has indicated a willingness to negotiate all aspects of the potential partnership with the exception of the location which has been identified as Windsor Park. Whereas a high percentage of the military community lives on the Peninsula side of the Harbour, the Windsor Park location is seen to be more appropriate than the current location of the Shannon Park Arena.

The Shannon Park Arena is scheduled to close soon, however CFB Halifax has indicated it will continue to operate until Council makes a decision related to this report. Should their partnership 4-pad proposal not be selected by Regional Council, CFB Halifax plans to close Shannon Park Arena and consolidate their requirements at the Shearwater Arena until they are able to build a single ice surface at Connolly Street.

CFB Halifax has indicated they are willing to participate in municipal policies related to Community Access Plan, Centralized Scheduling, and ice allocation policies. They are also willing to create new access processes specific for the proposed facility rather than requiring citizens access the facility through the typical military systems and protocols.

In addition, CFB Halifax is prepared to initiate application to the Federal Government for a partnership grant which is available to the Military, to assist in the facilitation of partnership in communities, such as the one proposed here. If received, it is expected the grant amount would offset the value of land required for the 4-Pad consolidation.

The operating model for this facility would be similar to the existing BMO Centre in terms of potential revenues and expenses. It also provides an opportunity to reduce risk of aging facilities, increase operational efficiencies overall in the arena inventory, and to construct the new facility without any disruption of service delivery during the process.

In order for the 4-Pad partnership to be successful, it is key that the Devonshire Arena, the Halifax Forum Arena, the Civic Arena, and the Shannon Park Arena be declared surplus upon the completion of the 4-Pad project with CFB Halifax. This meets the LTAS and Community Facility Master Plan (CFMP) principles, ensuring that the financial formulas are maximized by keeping the necessary number of arenas operational in the municipality.

Several months would be required to negotiate and develop a partnership agreement that would include concept design components, operating model, and policy statements related to this scenario. Staff would then return to Regional Council for approval to proceed with the development of a design build and pre-opening services request for proposal.

Phase 2 Dartmouth – Confirm site for Dartmouth and proceed with 4 pad consolidation

Although the Commodore Drive site scored the highest in the Dartmouth analysis, it is recommended to allow for adequate time to evaluate opportunities related to the potential acquisition of Shannon Park lands. Recent public consultation (Stadium Analysis 2011) identified the site as popular for this type of a development, and for co-location of sport venues. The site provides opportunity for co-location of recreation amenities and transportation services, as well as housing development. As a result, the potential co-location of major recreation amenities would be consistent with the proposed development of the site envisioned under the Regional Plan and could act as a catalyst for community building initiatives.

With Canada Lands Company's recent acquisition of the title to the Shannon Park land there is an opportunity to actively engage in discussions related to opportunities to use a portion of the Shannon Park site for a recreation campus as part of a larger community plan.

In the meantime, the four arenas proposed for the Dartmouth consolidation can be maintained as operational with a relatively low risk to facility users. The FCAs indicate that routine maintenance will ensure the arenas can continue to operate until such time as Regional Council receives a report regarding the availability and future usage of Shannon Park. Citizens would not be negatively impacted, and the extra time would allow for full consideration of both site options – Shannon Park and Commodore Drive.

PROPOSED IMPLEMENTATION TIMELINE

Upon Regional Council approval, the following steps would be undertaken:

- Commence negotiations to develop a partnership agreement with CFB Halifax that would include concept design components, operating model, and policy statements related to this scenario;
- Concurrent with the negotiation timeline, user groups and community members will be consulted related to the proposed new 4-Pad. This is proposed to take place Fall 2014;
- Award RFP for Peninsula Design Build & Pre-Opening Services in 2015;
- Return to Regional Council for confirmation of Dartmouth aligned with Shannon Park analysis;
- Target to open new Peninsula 4-Pad at Windsor Park in September 2017;
- Declare Devonshire Arena, Halifax Forum Arena, Civic Arena and Shannon Park Arena surplus to recreation needs concurrent with opening of new facility;
- Commence consultation with user groups to confirm Dartmouth multi-pad design and configuration in Fall 2016;
- Award RFP for Design Build & Pre-Opening Services in early 2017;
- Target to open new Dartmouth 4-Pad at chosen site in September 2019; and

- Declare the Bowles Arena, the Gray Arena, the Lebrun Arena and the Centennial Arena surplus to recreation needs concurrent with the opening of the new facility.

FEDERAL FUNDING PROGRAMS

As part of the consolidation work, staff explored federal funding opportunities. Currently, there are two separate federal funding programs available to the municipality, the new Building Canada Fund (BCF) and the Gas Tax Fund. Sport & recreation facilities are no longer eligible for BCF Funding. Instead they are eligible for Gas Tax Funds only.

The June 11, 2013 Staff Report entitled Long Term Infrastructure plan Strategy states: “HRM currently directs most of its Gas Tax funding towards transit, which is the largest annual infrastructure expenditure in HRM’s budget. It is recommended that HRM continue to apply any funds received from the Community improvement Fund towards public transit.” While allocation of the Gas Tax funding to recreation facilities may not be a priority for HRM at this time, staff will continue to explore any future funding programs that could be applicable. Further, should Regional Council proceed with the CFB Halifax proposal, the project is eligible for federal grant funding which will be explored.

FINANCIAL IMPLICATIONS

Halifax Scenario

Capital

If Regional Council approves the 4-Pad Peninsula consolidation with the partnership proposal with CFB Halifax as recommended, a total estimate of \$33.8M would be required over the next two fiscal years (2015/16 and 2016/17) to cover HRM’s share of the capital construction costs. Depending on the federal grants received and the net proceeds from the sale of the Forum site, this proposal has the potential to not cost the HRM ratepayers anything for the capital construction.

Operating

The estimated facility annual operating surplus of the proposed CFB 4-Pad partnership in Halifax would be approximately \$520K (before reserve contribution) per year. This annual surplus is proposed to be shared 75% HRM / 25% CFB Halifax.

Dartmouth Scenario

Capital

If Regional Council approves the 4-Pad Dartmouth consolidation as recommended, a total estimate of \$43.0M would be required over two fiscal years (estimated for 2017/18 and 2018/19) to cover HRM’s share of the capital construction costs.

Operating

The estimated facility annual operating surplus of the proposed 4-Pad partnership in Dartmouth would be approximately \$520K (before reserve contribution) per year.

Staff will present options for funding of strategic capital projects to an upcoming Audit & Finance Standing Committee meeting. At that time, decisions on the funding and timing for the LTAS consolidations will be made.