



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No.
Community Planning Economic Development
December 17, 2015

TO: Chair and Members of the Community Planning Economic Development Board

SUBMITTED BY: Original Signed by:
Jane Fraser, Director, Operations Support

DATE: December 17, 2015

SUBJECT: Progress Update on Cogswell Redevelopment Program

INFORMATION REPORT

ORIGIN

May 1, 2014, Regional Council Meeting: Halifax Regional Council approved 1) the issuance of an RFP for consulting services to produce a detailed master plan for the removal and re-design of the Cogswell Interchange; and 2) instructed staff to explore the establishment of reserve Capital funding to offset future costs related to the maintenance and/or demolition and redesign of the Cogswell Interchange.

LEGISLATIVE AUTHORITY

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

BACKGROUND

In 2014, HRM commissioned an engineering assessment of the Cogswell lands areas which was completed by Ekistics Planning & Design with the assistance of Colliers International, SNC Lavalin Engineering, OCL Services as well as David MacIntyre & Associates. The resulting Municipal Lands Plan was accepted by council and HRM commenced hiring a Director to oversee the Cogswell Redevelopment Program. The Director, John Spinelli commenced work at HRM mid-September, 2015. The following report is an overview update of the progress in several areas; schedule, procurement, budget, internal and external stakeholder engagement, district energy systems, risk management and land ownership/survey issues.

DISCUSSION

Schedule

A Project such as the Cogswell Street Redevelopment Program's success depends on the preliminary work and preplanning that is carried out prior to beginning the actual design and construction phases of the Program. One of the first requirements is a review of the historical documentation in order to understand the details of the program. Utilizing this information, as well as typical general project management requirements and processes for initiating a program of this magnitude, a task list was compiled breaking the program down into four overarching categories; Pre-Design, Design, Pre-Construction and Construction. Within these groups, further breakdown is established for internal and external stakeholder input, budget and procurement, legal and financial requirements. Each of the categories, in turn has a further levels of detail which was attributed in order to create a master task list incorporating all of the anticipated work related to the design, procurement and construction of the Program. While this list is not exhaustive, at over 300 items, it forms the basic Work Breakdown Structure (WBS) elements which enable the creation of an initial Work Schedule. As the designers and consultants are brought onboard, this document will grow in both content and detail as the Cogswell design is detailed and vetted by an ever larger group of project professionals. Currently, it forms the basis for the initial input from internal and external stakeholders prior to the Prime Design Consultant arrival as well as a procurement path for professional consulting services. The various tasks are linked with logic and time considerations sufficient to manage the procurement and front end design required for Cogswell Redevelopment.

Procurement Plan

The key requirement to move the Cogswell Program from conception to construction is the onboarding of key design and consulting services in a structured and logical fashion. To this end, a detailed Procurement plan has been compiled for the retention of the following significant consultant and constructor services. I would explain the role of each here;

- Fairness Monitor
- Prime Design Consultant
- Traffic Consulting
- Cost Control Consultant
- Program Support Services
- Construction Services

The Procurement Plan outlines the preferred methodology and order for onboarding these services to ensure that the program moves ahead without undue delay but additionally that relevant services are obtained only at the appropriate time to minimize undue redundancy and cost to the Cogswell Program. The Procurement plan outlines the specifics for engaging these services during pre-design, design, pre-construction and finally the construction phase. The plan further details the RFP strategy and requirements for each of the above services as well as the pertinent timelines for each of these functions which is summarized in the Procurement Schedule document. There are at present, four minor and two major procurement requirements. The major procurement initiatives are the Prime Design Consultant and the Construction Services provider. These are large value awards with each role having a significant "profile" within the local construction market in HRM. For this reason, both of these procurement efforts should have the oversight of an independent third party auditor of "Fairness Monitor". The role of Fairness Monitor does not replace –but merely augments the City's procurement functions, controls and checks to ensure that complete fairness, objectivity and adherence to the approved procurement strategy is maintained throughout the tendering, evaluation and award phases for these critical services. The extra level of oversight will ensure that the procurement process is defensible to non-successful proponents as well as any audit or freedom of information requirements.

For this reason, the engagement of the Fairness Monitor must be the initial procurement effort. At this time, the following draft Requests for Proposal (RFP) have been compiled and are ready for release pending final review from HRM Procurement;

- Fairness Monitor
- Prime Design Consultant
- Traffic Management Consultant
- Cost Control Services

Budget & Finance

The overall program budget of \$64,250,000 has been reviewed and allocated by both year and category for the duration of the Program. This Program budget indicates cash flow for capital expenditures through to the end of 2020 for both internal staffing and external consultants and service providers during pre-design, design, pre-construction and construction phases. Construction contingency funding is incorporated by year. The initial contract budget is currently predicated upon a class D level estimate from the 2014 Ekistics report. Further cost certainty will be gained during the 12 to 14 month long design phase. The engagement of a professional Cost Consultant is required in order to provide real-time cost certainty as the design progresses through 30, 60 and 90 percent Design Development. As per the commitment made in the original Council motion, the Cogswell team will report back to Regional Council at the 60 percent Design Development stage to obtain a "GO/NO GO" decision. The output from the Cost Consultants will guarantee the most up to date and accurate statement of program cost and anticipated revenue for a final council review prior to proceeding to market for the Construction Services provider.

Internal Stakeholder Review

Numerous internal HRM stakeholders are, and will, continue to contribute to key areas of design requirements in order to ensure that the foundational basis of the program is understood by the Prime Design Consultant. As such, the Cogswell team has met with various internal departments for design information including;

- Parks & Recreation
- Transit group
- Planning and Development
- Transportation & Public Works
- Legal
- Procurement
- Halifax Water

The above listed internal stakeholders will have varying levels of initial, ongoing and advisory capacity levels of inputs as the program progresses through Pre-Design award and Design Development. Due to the variability of these resource requirements, an Internal Resource Matrix has been compiled identifying the level of effort required from each group at each stage of program development.

External Stakeholder Engagement

Considerable efforts have been extended in order to introduce the Cogswell team to a wide ranging group of external stakeholders. These stakeholders fall into primary and secondary stakeholders.

Primary stakeholders in general can be categorized by the fact that their operations will be heavily impacted by the Cogswell Redevelopment *construction operation itself* and include such major organizations such as;

- Crombie REIT
- Great West Life Realty
- Casino Nova Scotia
- Marriott Hotel
- Delta Hotel

This list is not meant to be all inclusive, it merely represents the stakeholders the Cogswell team has approached to date. There will be additional groups added to the engagement process as the program unfolds. Initial meetings with these organizations have already occurred and subsequent follow-up meetings to better understand the stakeholder concerns and requirements will continue as the Prime Design Consultant is on-boarded and Design Development progresses. There currently exists significant good will towards the program from these stakeholders and it is paramount that they remain involved to ensure their concerns are understood by the design team so that concerns can be properly mitigated in the design phase to the extent possible. Some disruption to this group will be inevitable however, and what cannot be mitigated needs to be communicated to the stakeholders at the earliest possible time so that they may affect whatever strategies or contingencies within their operations to address these disruptions. Secondary stakeholders are best described as interested parties who may be positively or negatively impacted by the *final outcome* of the Cogswell program. This group includes stakeholders such as;

- Halifax Water
- Port Authority
- North and South end Business Associations
- Waterfront Development Corporation
- Urban Development Institute
- Various Realty Developers
- Utilities through HUCC

This list is not meant to be all inclusive, it merely represents the stakeholders the Cogswell team has approached to date. There will be additional groups added to the engagement process as the program unfolds. Initial meetings with these groups has also occurred and subsequent follow-up sessions will occur throughout the Cogswell Program design and construction phases in order to ensure that concerns particular to these groups are understood and addressed to the extent possible within the Redevelopment framework. Additionally regular informational updates will be issued to all stakeholders so that the general program progression and timelines are understood and that any new concerns from the stakeholders can be investigated and responded to in a timely manner.

District Energy Initiatives

Since the inception of the Cogswell program, various entities have expressed an interest in incorporating District Energy in some fashion into the Cogswell Redevelopment. The team has met with several of these groups, but a common concern is that while there is agreement on the *concept* of District Energy, there is no consensus on what form this initiative would take. As such, there is no scope of work or budget proposed from any of these groups. While the Cogswell dig-down does indeed present an opportunity for installation of underground services, a plan, scope and budget needs to be consolidated by HRM in time for the Design Consultants to incorporate this into the final Cogswell design brief. Although it is still fairly early in the program, this effort will require a long timeline for development; therefore, the window to accommodate this initiative is relatively narrow.

The Cogswell team has met with the Halifax Utilities Coordinating Committee and the Halifax Water Commission twice to discuss this issue. Regardless of which final form of District Energy initiatives are pursued, it is expected that the process will be driven by Halifax Water as they will ultimately own and operate the installation. Further, distribution rights and ownership and operation of the systems will have to be addressed in the context of the local utility providers. In the interim, Halifax Water has commissioned an engineering feasibility study for district services in the Cogswell area. The Cogswell team will naturally remain involved with the process and assist Halifax Water in pursuing this important objective.

Risk Management

A risk management plan has been compiled in order to recognize, quantify and manage the various risk elements that the program will present during both design and construction execution phases. The program's purpose is to identify, analyse, manage and mitigate Program risk in a systematic and iterative process. The plan commences with the initiation of a risk committee determined from various personnel both within the HRM as well as from the retained services providers. The cornerstone of the risk management plan is the creation and utilization of the program's risk register document. For the purpose of the Cogswell Redevelopment Program, the categorized risk areas are as follows;

- Financial
- Design
- Schedule
- Safety

To assess the priority of each risk and determine the degree of monitoring to be applied to each issue, a risk register has been created which uses a numeric weighting system for both the probability and the consequential impact to the Cogswell program, should the risk materialize. The program risk register – combined with the output of the program Risk Committee meetings provides a documented basis for how risks and contingency budget will be managed for the program. The material shall be used as a basis for communicating the status of program risk. Any change in the Program risk profile shall be communicated on a more frequent basis as required.

Land Ownership & Surveys

As might be expected in a historical city center, several parcels of land have changed ownership over the years and not all Property Identifier Designations (PIDs) are up to date or accurate. Within the Cogswell program boundaries; there exist land parcels which were expropriated for the original Cogswell construction as well as land parcels that appear to have no clear ownership title. Additionally, some right-of-way negotiations will be required for the Proctor Street area and the DND property around the periphery of the North Roundabout margins. The Cogswell team is awaiting a report from legal which will indicate all known parcel PIDs. A large, comprehensive survey of the total lands within the Cogswell Redevelopment will need to be performed in order reconcile the antiquated parcel PIDs with modern references and property descriptors. The survey will also assist in the Proctor Street and DND negotiations.

FINANCIAL IMPLICATIONS

The Cogswell Redevelopment plan currently has an anticipated budget of \$64,250,000. This is a class "D" estimate based upon the original Ekistics report. Project cost will be frequently reassessed as the design development progresses with a final budget being presented to council prior to engaging construction services.

The Cogswell Redevelopment will create six acres of land for subsequent sale and third party development. The revenue from this land release as well as future property taxes will ensure that the program remains revenue neutral with minimal or no requirement for debt funding.

COMMUNITY ENGAGEMENT

Considerable efforts have been extended in order to introduce the Cogswell team to a wide ranging group of internal business units and external stakeholders. For more details, please refer to the Stakeholder section under the Discussion heading.

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: John Spinelli, CET, Director, Cogswell Redevelopment Program 902.490.3970
