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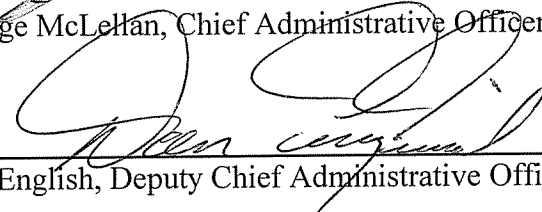
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Halifax Regional Council  
July 13, 2004

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
George McLellan, Chief Administrative Officer

  
Dan English, Deputy Chief Administrative Officer

**DATE:** June 22, 2004

**SUBJECT:** Federal Contribution Agreement - Bus Rapid Transit Showcase

### ORIGIN

At its May 13, 2003 meeting, Halifax Regional Council passed a motion to submit a proposal to Transport Canada under the Urban Transportation Showcase Program for funding of a Bus Rapid Transit project. In November, 2003, the Minister of Transport announced that HRM's proposal was successful and \$4.1 million in funding from Transport Canada would go towards the \$13.3 million project over the next three years.

### RECOMMENDATION

It is recommended that Regional Council:

1. authorize the Mayor and Clerk to sign a Contribution Agreement with Transport Canada for the Bus Rapid Transit Project, and
2. approve an increase of \$1,700,000.00 to Capital Budget Account CB300628 (Bus Rapid Transit Project), with funding from the Strategic Growth Reserve, Q126.

**BACKGROUND**

The Bus Rapid Transit (BRT) Showcase Project for HRM will result in the establishment of two rapid bus routes. HRM's rapid bus routes will feature limited station stops with park-and-ride and bikeway connectivity features and will enjoy travel time benefits from on-street transit priority measures. An updated overview of the project is attached to this report.

**DISCUSSION**

Although the project was originally intended to see both BRT routes in operation by the end of 2004, the start-up date is now projected to be September, 2005. An updated time line and description of the project is attached to this report. The new start-up date was due to an unexpected delay by the Federal Government in announcing funding recipient and the lengthy negotiation process with Transport Canada on a contribution agreement. One of the requirements of the Showcase Program is that no monies can be spent or tenders awarded until the agreement has been signed.

**HRM Project Funding Sources**

		2003-04	2004-05	2005-06	Total
HRM Funding	Bus Rapid Transit Showcase (CB300628)	\$1,040,000	\$4,559,000	\$759,000	\$6,358,000
	Strategic Growth Reserve		\$1,700,000	\$971,000	\$2,671,000
	Capital Cost Charge or Other Developer Contributions			\$500,000	\$500,000
Other Sources	Transport Canada		\$3,920,000	\$180,000	\$4,100,000
	Province of Nova Scotia		\$80,000	\$706,000	\$786,000
	Ecology Action Centre (in-kind)			\$25,000	\$25,000
Total HRM		\$1,040,000	\$6,259,000	\$2,230,000	\$9,529,000
Total Cost Sharing		\$0	\$4,000,000	\$911,000	\$4,911,000
Gross Budget by Year		\$1,040,000	\$10,259,000	\$3,141,000	\$14,440,000

HRM's portion of the project has increased since originally proposed for two reasons. Firstly, Transport Canada awarded only \$4.1 million to the project instead of the \$4.43 million requested. Secondly, land acquisition could not be included in the cost-shareable portion of the project and has now been included in HRM's portion of the project funding. These two factors have resulted in a funding request from the Strategic Growth Reserve greater than originally intended.

The transfer of \$1,700,000 recommended in this report is shown in the table and was part of the original project funding plan. The funding sources shown for the 2005-06 budget year are proposed and subject to council approval during the normal budgeting process.

**BUDGET IMPLICATIONS**

Proposed withdrawals of the Strategic Growth Fund for Infrastructure projects, was presented to Council as a review and was not included in the 2004/05 Reserve Budget. This \$1,700,000 is part of the \$11,000,000 list of withdrawals from the Reserve. Therefore, since not in the “approved capital budget for 2004/05, this recommendation will increase the capital budget and reserve budget for 2004/05. Availability of funds in the reserve have been confirmed by staff of Financial Services. The current balance in the Strategic Growth Fund as of June 30, 2004 is \$9,166,862 with projected contributions of \$3,111,111 by March 31, 2005.

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**


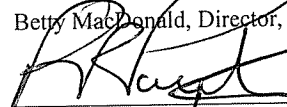
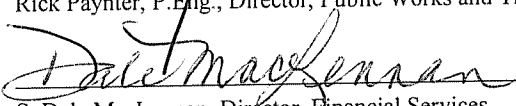
This report complies with the Municipality’s Multi-Year Financial Strategy and the approved Operating budget, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved, this will increase the 04/05 capital and reserve budgets.

**ALTERNATIVES**

Regional Council may direct staff to renegotiate the Contribution Agreement. This is not recommended, as staff believes the current Contribution Agreement between Transport Canada to fully represent the best interests of the Municipality.

**ATTACHMENTS**

Bus Rapid Transit in Halifax, Project Overview, June 28, 2004.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.	
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