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Item No. 11.1.2

**Halifax Regional Council
May 26, 2009**

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in cursive script, appearing to read "Dan English".

Dan English, Chief Administrative Officer

A handwritten signature in cursive script, appearing to read "Wayne Anstey".

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: May 8, 2009

SUBJECT: Streetscape Capital Projects Implementation Strategy

ORIGIN

Report dated February 19, 2009 which was before Council at its meeting on February 24, 2009 regarding *11.1.4 Spring Garden Streetscape Design*.

RECOMMENDATION

It is recommended that Regional Council:

1. Receive this report for purposes of budget deliberation;
2. Continue the previously approved prioritization of the mplementation of the five Capital District Streetscape Priority projects;
3. Carry over the 2009/10, 2010/11 and 2011/12 annual budget allocations for streetscaping until the Spring of 2012 when, after approval of the 2012/13 budget, sufficient funds will have been assembled to construct the first phase of the Quinpool Road streetscape project (between Robie and Preston); and,
3. Request staff to identify separate sources of funding to implement any HRMbyDesign Public Realm Priorities, Capital District Opportunity Projects and Pole-Free-Zone Undergrounding Projects that Council wishes to support as the opportunities present themselves.

BACKGROUND

General Streetscape Program Objectives

An important objective of Council is to invest in its downtown core and commercial streets to keep them vital and a focus of the municipality. One means to achieve that is to invest in key commercial streets within the Capital District in order to;

- increase the vitality, enjoyment and beauty of these streets as public places by creating streets which are not just a place to move vehicles but are places of public open space, social interaction and local culture;
- make coordinated functional improvements to loading/parking/vehicular flow pedestrian flow, paving renewals, public transit, lighting upgrades, signalization, undergrounding and aesthetics;
- lever investment by private property owners in their buildings/properties (e.g..Barrington Heritage District);
- strengthen economic opportunities for business and the competitiveness of the Municipality along the eastern seaboard, nationally and internationally;
- present a face of civic pride for our residents and our visitors.

Council Approval of February 24, 2009

At its meeting on February 24, 2009 Council's amended motion regarding *11.1.4 Spring Garden Streetscape Design* (report dated February 19, 2009) was put and passed the following Motion:

MOVED BY Councillor McCluskey, seconded by Councillor Streach that Halifax Regional Council that:

1. The Spring Garden streetscape design be revisited by all of the stakeholders over the Spring/Summer of 2009 and, once a consensus has been reached, the design be brought back to Regional Council for approval.
2. A streetscape and undergrounding design project for Ochterloney Street be accelerated to determine feasibility, detail design, costs and timelines.
3. The preferred option identified through completion of the schematic design report for Quinpool Road in the next few weeks proceed into Phase II, Detailed Design and Construction Documents.
4. Staff work to assemble other sources of funding for Council approval in support of the Streetscape program.
5. As part of the 2009/10 budget deliberations staff make recommendations to Regional Council on which streetscape and undergrounding projects to advance in 2009/10.
6. That if the infrastructure funding of **\$2 million** becomes available that the Quinpool Road streetscape project go forward this year.

DISCUSSION

Staff have worked over the last several months to explore and attempt to effect Council's approved direction. There are many options, but what is common to them all is:

- a gap in project funding for 2009/10 budget year; and
- the need to identify a long term sustainable level of funding for the streetscape, undergrounding, HRM By Design and opportunity projects in the Capital District.

Following is an outline of the actions taken since Council's approval:

1 Spring Garden

As a first step in the process of revisiting the Spring Garden Streetscape design, the Spring Garden Area Business Association (SGABA) Executive has requested that HRM evaluate its recommended design Option #2 in terms of any impacts that implementation of a one-way vehicular flow on cross-streets may have on the proposed design. HRM's Real Property Planning has agreed to have the SGABA's one-way proposal tested in the recently-completed Downtown Traffic Model in the context of proposals for the Trillium development (South Park and Brenton), the Park Lane second tower (Spring Garden frontage), Bank of Montreal redevelopment (north-east corner of Queen and Spring Garden) and the Spring Garden Queen Public Lands Development (including the Clyde Street parking lots, the former Infirmary lands along Queen Street proposed for the new Central Library site and the Memorial Library building at Spring Garden and Grafton). Owing to the need to work with merchants and the need to minimize business interruption in key seasons, construction could not realistically start until the spring of 2010.

2 Ochterloney

By March 31, 2009, Terrain Group engineering services had completed two conceptual design alternatives for the proposed Ochterloney Street Undergrounding and Streetscape Project as requested by Real Property Planning. Either alternative can be completed within the \$2,850,000 in capital funds currently available/proposed for streetscaping and undergrounding (\$2.1M Streetscaping in 2009/10; and, \$750,000 in previous year's Undergrounding funds). At this time, timelines do not allow completion of this project in this construction season and if the project is to proceed, it should be delayed until the Spring of 2010 and completed in one construction season.

The first alternative covers undergrounding and streetscaping from Ochterloney Street from Wentworth to Alderney. It primarily involves undergrounding within the sidewalk area, sidewalk replacement and new light standards. It would mean a second year of traffic disruption as a Water Commission project was carried out in this section of roadway last summer. This alternative is estimated to cost \$2,337,406.

The second alternative, involving Ochterloney Street from Wentworth to King and then King Street from Ochterloney to Portland is preferred since it takes advantage of the opportunity to coordinate efforts between the private and public sectors (Founders' Corner condo project) and HRM business units and agencies (Design and Construction Services paving project and the Halifax Water Commission water line project). It would also complete the undergrounding and streetscaping of King Street across Downtown Dartmouth initiated in the 1980s when the portion of King between Portland and Alderney was improved and undergrounded. Although this alternative is estimated to cost a total of \$3,013,379, Design and Construction will cover the costs for the road resurfacing and partial replacement of sidewalks and curbs and the Water Commission will cover its own costs as follows:

- a) \$2,463,129 - 2009/10 Streetscaping and Current Undergrounding
 - b) \$ 410,000 - Paving, Sidewalk and Curb; and
 - c) \$ 140,250 - Water Line Replacement
- \$3,013,379 TOTAL

3 Quinpool

A schematic design report for the Quinpool Road Streetscape will be submitted under separate cover and identifies a preferred "Option #4 - Sidewalk Widening Both Sides", which is estimated to cost \$8.7M (including a 35% schematic design level contingency of \$3M). This design option has been endorsed by the Quinpool Business Association Board and was favorably received at a Public Open House on April 1. The Quinpool Road Streetscape project has proceeded into Phase II, Detailed Design and Construction Documents, which are scheduled for completion at the beginning of June 2009 as directed by Council on February 24, 2009. Construction is dependant upon funding availability and technically could commence as early as September 2009 if an additional \$5,050,000 in project funding could be found. However, due to required timelines, construction should be delayed until the Spring of 2010 and completed in one construction season to minimize construction disruption to businesses.

4 Funding Assembly

Currently \$2.1M in streetscaping funds have been included in the capital budget for consideration. Based on the assumption that the annual streetscaping budget will remain at the current \$2.1M level, the Quinpool Road and Spring Garden Phase I streetscapes will take six years to complete without factoring inflation into the costs. (NOTE: In recent years inflation has been as much as 5-10% from one construction season to the next). Staff are working to investigate other sources of funding for Council approval in support of closing the considerable gap that exists in streetscape funding requirements outlined in the lists of potential projects categorized in #5 below. Additional streetscape and undergrounding budget requirements are found in the budget implications section of this report. By way of this report, Staff are tabling the streetscape funding gap for Council's consideration during 2009/10 budget deliberations.

5 Streetscaping and Undergrounding Projects to Advance - General Comments

As part of the 2009/10 budget deliberations staff were asked to make recommendations to Regional Council on which streetscape and undergrounding projects to advance in 2009/10. The first three recommendations adopted by Council on February 24, 2009 and outlined in the *Background* section of this report have resulted in the identification of a number of distinctly different types of projects and associated drivers: Capital District Streetscaping Priorities; HRMbyDesign Public Realm Priorities; Capital District Opportunity Projects; and, Pole-Free-Zone Undergrounding Projects.

- **Five Capital District Streetscape Priority Projects** (Quinpool, Spring Garden, Barrington, Gottingen and Portland / Alderney) were identified in the Council-adopted 2004 Capital District - Urban Design Project report. These are intended to be COMMERCIAL AREA improvements that will lever improvements on private land. The cost estimates included in the 2004 report could be as much as five times underestimated but have, until now, served as the basis of the annual streetscape capital budget submission (NOTE: Costs identified below have been re-estimated using current figures and experience).

Capital District Streetscape Priority Projects Locations	Budget Source	Cost Estimate (Construction Year)
Quinpool (Robie to Preston)	CD Streetscaping Current Undergrounding Design & Construction Traffic and Right-of-Way	\$8.7M (2012)
Spring Garden (Queen to South Park)	CD Streetscaping Traffic and Right-of-Way	\$4.7M (2014)
Barrington Heritage Conservation District (Duke to Bishop)	CD Streetscaping Traffic and Right-of-Way	\$6.0M (2017)
Gottingen	CD Streetscaping Traffic and Right-of-Way Metro Transit	Unknown
Alderney (North to Portland)	Unknown	Unknown
Quinpool (Preston to Connaught)	Unknown	Unknown
Spring Garden (Barrington to Queen & South Park to Summer)	Unknown	Unknown

- **HRMbyDesign** has identified a number of additional Public Realm Priority projects requiring streetscape funding:
 - a) “Grand Promenade” (George / Carmichael from Citadel to Harbour);
 - b) “Esplanades” (encircling the Citadel);
 - c) “Pedestrian Priority Streets” (Argyle, Albemarle, Granville and Bedford Row); and,
 - d) “East-West Streets”(Waterfront connectors).

NOTE: Together, these HRMbyDesign Public Realm Priority projects could exceed \$30M in streetscaping / undergrounding costs and take an additional 15 years to implement at the present funding level if all funds are directed towards HRM by Design Projects.

- **Capital District Opportunity Projects** are generated either by the private sector (e.g. Founders Corner, Trillium and Argyle / World Trade and Convention Centre projects) or by other HRM business units or agencies (King Street paving and water line upgrades). As part of development approvals or other projects, developers or other agencies agree to underground and improve the streetscape along their property in accordance with Capital District standards. Often this leaves half blocks which should be finished or it makes engineering sense to complete the block. Where opportunity projects such as these create a case for an undergrounding project to be initiated, this, in turn, should generate a case for a Streetscape Opportunity Project to be undertaken at the same time. The following chart provides a list of some of the priority and opportunity projects currently under discussion with associated costs of streetscaping and undergrounding incorporated. There are others pending development approval.

Opportunity Projects (Capital District Locations)	Cost Estimate (Construction Year)
Founders Corner condo development (Ochterloney & King streetscape & undergrounding)	\$2.5M (2009)
Trillium condo development (South Park streetscape & undergrounding from Brenton Place to Spring Garden)	\$1.2M (2010)
High Speed Ferry development (Nathan Green Square redevelopment)	Unknown (2011)
World Trade and Convention Centre development (Argyle Streetscape between Prince and Blowers)	\$1.5M (2013 MOU)

- **Undergrounding Projects in the Pole-Free Zone** (Capital District) are not intended to be drivers in the identification of project priorities but, rather, are intended as adjuncts to the Capital District Streetscape Priority Projects, HRM by Design Priority Projects or Capital District Opportunity Projects. The nature of undergrounding most often generates a requirement for total replacement of street lighting, near total replacement curbs and sidewalks (generally not budgeted for by stand alone paving projects) and creates an opportunity for planting trees and providing special paving and site furnishings. The 2008 estimated cost of undergrounding overhead utilities in the Pole-Free Zone is \$75M, which according to detailed cost estimates prepared for the Spring Garden and Quinpool Road projects could be low by a factor of two and therefore would take many years to implement under the current funding scenario.

6. Infrastructure Funding

Staff were asked to make a recommendations to Regional Council regarding which projects should proceed if infrastructure funding becomes available. On May 5, 2009 Council reviewed the Capital Project Evaluation Matrix list developed by staff for possible infrastructure funding. The list was generated by applying criteria to a much larger list of municipal projects. In the ranking of HRM wide projects streetscapes did not originally score in the top 20 projects. It, along with several other Council priorities were actually ranked quite low. This, at first, was thought to be attributable to the lack of a cultural component in the matrix criteria. However, even if a cultural component was added other projects would have received additional points and streetscapes would not have risen significantly enough to make a difference in the rankings. Staff are aware that the Capital Project Evaluation Matrix is not a perfect tool and it will benefit from refinement and use over time. In the meantime there will be projects such as the central library and streetscapes projects which may be high priority for Council which will not be on the list generated through the matrix and will have to be put forward and debated by Council as to their priority.

Council has indicated a preference for directing the infrastructure funds towards the new Library and 4-pad Arena. Obviously this direction cannot be compromised. If, however, another source of cost shared funding was to be found in the amount of \$2.95M (rather than the \$2M identified in the Council motion) for the \$8.7M Quinpool Road Streetscape project in 2009 and the project was tendered in the spring of 2010 after the 2010/2011 budget approval, the project could be advanced by two years and proceed in the summer of 2010 as follows:

a) 2009/10 Streetscaping (Real Property Planning)	\$2,100,000
b) Current Undergrounding (Real Property Planning)	\$ 750,000
c) Paving (Design and Construction Services)	\$ 250,000
d) Traffic Signals (Traffic and Right-of-Way)	\$ 550,000
e) 2009/10 Other levels of Gov't	\$2,950,000
f) 2010/11 Streetscaping (Real Property Planning)	<u>\$2,100,000</u>
TOTAL	\$8,700,000

Advancing Quinpool also advances the other priority projects in the time line.

BUDGET IMPLICATIONS:

Alternate Sources of Funding

There is not adequate funding in this year's or the projected five year budget to significantly advance the streetscape program. As currently funded it would take three budget cycles to accrue adequate funding for just one priority streetscape project (that is without spending any streetscape monies towards opportunity projects such as Founders Square on Ochterloney or the Trillium Project on South Park Street, HRM by Design priorities or any downtown capital repairs). It would follow that it would be another two to three budget cycles of "saving" before there would be adequate allowance to conduct a project. Clearly this is not an adequate solution for the long term objectives of the program or the needs of the down towns. What is needed is a long term sustainable line of funding if the program is to meet expectations. As most projects in the downtown core include undergrounding of wires and utilities, changes to signalization, repaving, new street lighting, new sidewalks etc funding for these items must be incorporated into the funding allocation.

When considering how to close the funding gap there are other alternatives which could be considered. These include a possible levy of new development charges, a bonusing program for development in the downtown, local improvement charges, transferring funding from other municipal capital programs, assigning funding from other levels of government to the program, or any combination of these. As an example, council could determine that streetscapes is a higher priority than other existing programs, or could choose to delay planned capability projects in other areas in order to create capacity for the downtown projects.

It is unlikely that Council will find an adequate long term line of funding during this year's budget debates. Instead, Council may be able to find adequate funds to advance one of the priority projects in this budget year. Council will have to direct staff to find a sustainable long term, line of funding for priority streetscape projects, HRM by Design Projects, opportunity projects, undergrounding in the pole free zone and other desired initiatives within the downtown before 2010/11 budget deliberations.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES:

- 1) Council could choose to advance Ochterloney for construction in the spring of 2010, which will push back construction of Quinpool by a year to the spring of 2013 pending approval of the 2013/14 budget.
- 2) Council could, on the assumption that the Streetscape Program should be implementing projects annually, pursue the following 3-year strategic funding scenario:

1. Continue to prioritize implementation of the five Capital District Streetscape Priority projects and identify separate sources of funding to implement any HRMbyDesign Public Realm Priorities, Capital District Opportunity Projects and Pole-Free-Zone Undergrounding Projects.

2. Make an additional \$3M in priority streetscape funding available for the \$8.7M Quinpool Road Streetscape project in 2009 and tender the project in the spring of 2010 after the 2010 / 2011 budget approval as follows:

a) 2009/10 Streetscaping (Real Property Planning)	\$2,100,000
b) Current Undergrounding (Traffic and ROW)	\$ 750,000
c) Paving (Design and Construction Services)	\$ 250,000
d) Traffic Signals (Traffic and ROW)	\$ 550,000
e) 2009/10 Additional Funding (TBD)	\$3,000,000
f) 2010/11 Streetscaping (Real Property Planning)	\$2,100,000
TOTAL	<u>\$8,750,000</u>

3. Identify an additional \$2.5M in streetscape opportunity funding for implementing the Ochterloney / King streetscape in the Spring of 2010 subject to the double entry principle and budget parking lot debate.

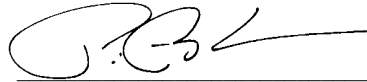
4. Identify a future source of funding the \$2.6M shortfall in funding for implementing the \$4.7M Spring Garden Road Streetscape (2009 values) in the spring of 2011 after the 2011 / 2012 budget approval

ATTACHMENTS: None.

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

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