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**Item No. 11.1.10**  
**Halifax Regional Council**  
**July 7, 2008**

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

**SUBMITTED BY:**   
\_\_\_\_\_  
Wayne Anstey, Acting Chief Administrative Officer

**DATE:** July 2, 2009

**SUBJECT:** **HRM Community Facility Partnership Fund: Proposed Amendments to Policy and Program Implementation Update**  
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**ORIGIN**

Regional Council, August 5 and August 12, 2008 - Motion to approve *HRM Community Facility Partnership Fund* and an award to the Halifax Port Authority.

**RECOMMENDATION**

It is recommended that Regional Council amend the HRM Community Facility Partnership Fund as set out in this report for implementation in the 2009-10 fiscal year.

## **BACKGROUND**

In 2008, HRM implemented a process through which large-scale capital requests for community-owned properties could be evaluated. The *HRM Community Facility Partnership Fund* was designed to focus on projects that will have a significant scale of sectoral and economic impact at the regional, provincial or national level. Regional Council elected to repeat this process for a further four (4) years, subject to budget capacity.

Under the policy's Continuous Renewal Clause (Item 5):

*"These policies and procedures shall be reviewed after one (1) year of implementation to evaluate its scope, relevance, and efficacy. Thereafter, the policy shall be reviewed every three (3) years or upon request to reflect substantive changes in legislation, municipal policy, or municipal strategic priorities" (Council report dated July 22, 2008. p.20).*

## **DISCUSSION**

The proposed amendments to policy and procedures are set out in **Attachment 1** of this report. The major revisions include:

**Clauses to address indemnification, liability, communications and schedule of payment as per any funding contract.** This change provides advance notice to proponents who should plan their cash flow and risk management accordingly.

**A minimum score of 70/100.** Given the professional calibre of project expected of this scale of capital investment a high score is reasonable and places an emphasis on economic and sectoral impact (not simply a capital expenditure).

**Eligibility regarding ownership of the capital asset and a minimum term for any leased property.** This clause is intended to ensure that any investment of public funds shall realize a public benefit should the proposed project fail or change in scope. Leasehold improvements shall be substantive in both scope and impact, not simply enhancements.

**Multi-year funding has been eliminated due to high risk and to manage expectations.**

It is expected that an open call for applications will prompt a relatively high volume of proposals across various sectors of interest. The aim is to create access to opportunity while also maintaining a focus on large-scale projects with economic and sectoral impact. Further, this program is offered subject to annual financial capacity.

## **1. Eligibility Re: Ownership of the Capital Asset**

**Government Owned:** Staff recommend that property owned by the provincial or federal government, or agents thereof, be eligible for consideration on the proviso that the facility provides access to the general public. If accepted, this clause would include public schools and post-secondary institutions, museums etc.

**Business Owned by a Non-Profit:** In 2008, the HRM Grants Committee endorsed guidelines under which the eligibility of for-profit businesses owned by a non-profit organization or business-related activities could be evaluated re: eligibility for grants, property tax assistance, rent subsidies etc. The business entity is created and controlled by the non-profit; its' activities are subordinate to and directly linked to the non-profit's altruistic aims.

## **2. Public/Private Partnership**

Presently, with the exception of specific sectors named in the Municipal Government Act (1998), HRM does not have a formal policy regarding the eligibility of a non-profit organization created by a for-profit for the purpose of undertaking a specific capital project. Evidently, other jurisdictions in Canada have engaged in public/private cost-sharing ventures but typically such projects are not funded through the general tax rate. In such cases, municipal funding might be derived from lottery proceeds, a hotel tax, special levy etc.

As noted in the staff report of July 22, 2008, the Fund's policy is to be reviewed every three (3) years. Therefore, staff will investigate the possible integration of public/private partnerships and identify potential funding sources for future debate. Such consideration might be advisable, for example, if seeking to leverage federal funding from the *Cultural Spaces Program* because this program restricts eligibility to professional producers and presenters. In the immediate, the *HRM Community Facilities Partnership Fund* will adhere to current legislation ie. public/private funding is restricted to only those circumstances set out in legislation (ie. waterfront development, public markets, and promotion of the region for tourism and business development).

### **Next Steps:**

If approved, the revised policy and procedures, an application form, and scoring form will be posted to the HRM web site (under Grants Program) to provide access to information to applicants and the general public. It is anticipated that a program rack card will be developed to brief Council, staff, and prospective applicants. An open call for applications will be made via newspaper advertising, preferably in July, 2009, with a closing date of September, 2009. A technical review team will evaluate proposals and submit a formal recommendation to Regional Council through the HRM Grants Committee.

### **BUDGET IMPLICATIONS**

This report addressed policy and procedures only. There are no financial implications.

### **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. HRM Council could amend or overturn a staff recommendation.
2. HRM Council could elect to accept the recommended policy and procedures, but enable grants to be paid out on a multi-year basis through permanently funding this program through HRM's operating budget by adding it to the general tax rate commencing in fiscal year 2010/11.

### **ATTACHMENTS**

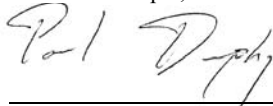
1. Proposed Revised Policy:
2. Proposed Program Scoring Form.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.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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Report Approved by:



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Report Approved by:



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**Attachment 1**

**HRM Community Facility Partnership Fund**

**Draft Policy and Procedures**

The *HRM Community Facility Partnership Fund* is a centralized program that provides funding to community non-profit groups and public institutions in support of major capital initiatives undertaken as part of a formal partnership agreement. Applications are evaluated and prioritized by an inter-disciplinary staff review team who assess the respective merit of a project relative to council's strategic objectives and make recommendations regarding any award(s). The HRM Grants Committee provides oversight in terms of monitoring adherence to formal policies and procedures. The decision-making authority of Regional Council determines the program's annual budget allocation and the individual recipient(s). It should be noted that if there are no proposals of sufficient merit, ~~an annual budget allocation and/or award be suspended~~ the program's budget allocation, or the balance thereof, shall be placed in a designated reserve and carried forward.

The *HRM Community Facility Partnership Fund* has four primary goals:

- To facilitate collaborative partnerships that realize measurable outcomes commensurate with HRM's mandate and/or strategic priorities.
- To foster innovation.
- To facilitate the development of significant community infrastructure in order to realize tangible cultural, sectoral ~~social~~ and economic impacts on a ~~geographic, demographic,~~ national, provincial, regional, or sectoral scale.
- To foster and promote a legacy that provides long-term public benefit. New community facilities assisted under this program will have significant impact primarily on a regional scale and HRM's contribution helps leverage funding, notably from the private sector.

The following policies and procedures outline the programs' eligibility criteria, evaluation and decision-making processes. The policy also contains guidance on the roles and responsibilities of applicants, HRM staff, and elected officials.

## A. POLICY

### 1. Context

The purpose of the HRM Community Facility Partnership Fund Policy is to guide public investment in accordance with provincial and federal legislation, municipal goals and financial capacity.

### 2. Statement of Intent

The following principles guide the HRM Community Facility Partnership Fund Policy and procedures:

**Support Local Economic Development:** investment in ~~social~~ sectoral and cultural ~~infrastructure~~ facilities that make HRM more attractive to citizens, prospective investors, entrepreneurs, and employees thereby enhancing the region's reputation as a vibrant place to live and work.

**Creativity and Innovation:** funded projects foster strategic sectoral development and demonstrate excellence, creativity and innovation.

**Strengthening Local Community, Government, and Non-Government Capacity:** a capital project shall demonstrate long-term sustainability and enhance the capacity of both organizations and individuals. The funded project is not simply a real property development; the rationale for municipal financial support is the manner and scope of the facility's impact on social sectoral and economic development.

**Community Inclusion and Access:** capital projects shall be inclusive of a diverse community of interests and accessible to persons with special needs.

**Demonstrated Impact on Regional Development:** public investment shall realize significant and strategic ~~social~~ sectoral and economic impacts. ~~and/or neighbourhood regeneration and shall leverage~~ Municipal funding shall leverage investment from ~~with that of~~ other sources, including the private sector, to the greatest extent possible.

**Environmental Sustainability:** funded projects shall incorporate environmental sustainability in their design, execution and operation and contribute to the overall physical well-being of the community.

### 3. Operational Definitions

For the purpose of this policy, the following definitions shall apply:

**Facility:** A building or outdoor structure (eg. a stadium, amphitheatre) designed and constructed for a specific, tangible purpose.

**Community Facility:** A building that provides equitable access to members of the general public. In contrast, a private facility restricts access and affords a degree of exclusivity to an individual or specific sub-group of society.

**Cultural Industries:** Cultural industries commercialize creative content (ie. personal creative expression and aesthetic values) to form products and services intended for the mass market. Examples include but are not limited to publishing, broadcasting, film and video, recorded music, industrial design, fashion, architecture, computer animation and software development, advertising and graphic design. Such enterprises employ innovative business practices and marketing to create new markets and expand employment opportunities and sales, including exports.

**Entrepreneurial Enterprise:** Individuals or groups who initiate the development of a enterprise that characteristically involves innovation and financial risk in the pursuit of commercial success.

**Membership-Based Club and Private Property:** Typically, membership-based clubs are formed upon the basis of mutual interests (eg. a sport, leisure activity, profession). Inclusion requires payment of fees and confers special rights and privileges. Albeit such clubs may permit general public access to their private facilities, such access may be restricted to certain amenities, programs or services, or restricted in terms of scheduling. A different schedule of fees may be required of non-members. In contrast, a public or 'open' facility is made available to the general public on a recurring or non-recurring basis at uniform rates<sup>1</sup>, without affiliation to the facility owner or operator (eg. a public library, public swimming pool or arena). Public facilities do not provide for exclusivity.

For efficiency or synergies, a public building or a facility serving national, provincial or regional interests may be located on a club's property (eg. a high performance sports centre, performing arts venue). For the purpose of the *HRM Community Facilities Partnership Fund* such facilities are eligible for consideration provided that there is a demonstrated scale of sectoral impact ie. that participants throughout the region derive benefit beyond whatever incidental benefit (eg. convenience, access to specialized equipment, status) is derived by the host club.

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<sup>1</sup> An exception to uniform rates may be made available to lower income individuals, families or group bookings, or for off-peak hours.

**Museum:** A building designed and used for the storage, preservation, and exhibition of artifacts, documents, specimens, and electronic records for the purpose of historical, scientific, or cultural research. For the purpose of this program such facilities shall have formal accession and de-accessioning policies, professionally accredited staff, and an active Board of community volunteers.

**Archive:** A building designed and used for the storage of a public, corporate, or institutional documents or records, including digitized records.

**Business Owned by a Non-Profit or Charitable Organization:** Recognizing that some non-profit organizations create a separate legal entity to limit their liabilities in relation to the construction, ownership, and operation of a building, HRM may, at its' sole discretion, recognize a business owned and operated by a non-profit organization that is directly and materially linked to and subordinate to the altruistic aims of the charity or non-profit organization.

Regional Council's ability to recognize a non-profit organization created by a for-profit entity for the purpose of obtaining public funding, to reduce or mitigate liability, or to create and sustain a public/private partnership has not been determined. Pending the development of formal policy, inquiries of this nature should be directed to HRM staff for adjudication of eligibility.

#### **4. Eligibility Criteria: Community Organizations**

**4.1** Eligible organizations are those whose primary mandate aligns with the Municipality's strategic objectives and a signatory in a formal partnership agreement. Such agreements include but are not limited to a Memorandum of Understanding, inter-governmental agreement, major event hosting contract, or project public/private partnership.

**4.2** This program shall recognize the following form of non-profit enterprise:

**4.2.1** A Canadian charity registered in accordance with the Income Tax Act;

**4.2.2** A non-profit society registered with the Nova Scotia Registry of Joint Stocks in accordance with the Societies Act (R.S. 1989);

**4.2.3** A non-profit organization incorporated under an Act of the Nova Scotia Legislature or an Act of Parliament;

**4.2.4** A non-profit cooperative incorporated under the Cooperative Associations Act (R.S. 1989)

**4.2.5** A corporation incorporated under the Companies Act (R.S. 1989) by a charity or non-profit organization as defined in sub-section 4.2.1 to 4.2.4. Such a business or related business enterprise shall conform to the criteria set out in the HRM Policy Interpretation Statement: Non-Profit and Related Businesses (2008). Specifically, (a) the business is run substantively (90%) by unpaid volunteers and/or (b) the business enterprise is directly linked to the charity's purpose and subordinate to that purpose. Clause (b) shall be demonstrated by the applicable incorporation documentation, financial statements, and contractual relations between the two parties.

Submissions seeking eligibility under Item 4.2.5 may require an adjudication of eligibility by the HRM Grants Committee to confirm that the enterprise is directly linked to a charitable, altruistic purpose, and operates in a manner that is subordinate to that purpose.

**4.2.6.** The Government of Nova Scotia or the Government of Canada, or a formal agent thereof. The relationship of the agent shall be demonstrated through applicable legislation, financial statements, and/or contractual relations.

**4.3** Funding shall be restricted to properties located wholly within the geographic boundary of Halifax Regional Municipality;

**4.4** Applicants in debt to the municipality or party to a legal claim shall be ineligible for consideration pending (a) a signed payment plan and compliance with same, or (b) settlement of the claim.

## **5. Duplication of Funding: Municipal Grants and Contributions**

**5.1** Applicants to the *HRM Community Facility Partnership Fund* are ineligible to receive funding in the same fiscal year from the *HRM Community Grants Program*, *HRM Trails Capital Grants*, ~~or the HRM Special Events Reserve~~, or HRM Public Art Policy.

**5.2** Non-profit organizations in receipt of discretionary municipal property tax assistance are eligible to apply for a grant but the value of any award may be adjusted relative to HRM's overall level of direct financial support.

**5.3** An applicant in receipt of an award under the *HRM Community Facility Partnership Fund* may not re-apply for further funding for a period of four (4) years. The aim is to create and sustain equitable access to opportunity.

**5.4** An applicant declined funding can make further application in the following or successive years conditional that (a) the project is deemed eligible for funding, and (b) the initial application scored 70 points or higher out of a total score of 100. The maximum grant to either an organization, or to a specific project, cannot exceed \$1,000,000 irrespective of merit or number of applications.

This provision recognizes that in any given funding year there may be two or more projects of comparable merit that cannot be funded due to the program's budget capacity. Notwithstanding this provision, applications will not be accepted from different parties for the same project, or from proposals that initially scored below 70 out of 100 points.

## **6. Eligibility Criteria: Capital Projects**

For the purpose of this program a capital project is **a capital expenditure directly related to the construction or re-development of a building or outdoor structure, and building-related infrastructure<sup>2</sup>, valued in excess of \$2,000,000 with a useful life over one year. This provision excludes streetscapes, trails, waterfront amenities (eg. dock, wharf, boardwalk), park, playground, plaza, parking lot etc.**

A feasibility study, design fees, or technical plans directly related to the execution of a capital project are eligible for funding conditional upon project execution.

**The Partnership Fund does not fund generic fundraising. Therefore, applications should be supported by a comprehensive business plan including the organization's financial status, project capital budget and identified/confirmed funding sources, and operating projections. Preference will be given to projects demonstrating sound planning and diversified revenues sources, including non-municipal funding. The applicant's submission shall demonstrate that a minimum of 50% of funding is confirmed and proof of financing for the balance.**

**Confirmation of funding from a financial institution, government, foundation, or private party should be substantiated in writing by the funding agency.**

~~Public art is not eligible for funding; such projects are funded under another HRM program.~~

Preference will be given to projects to be undertaken within 12 months of an award. ~~The program does not fund generic fundraising.~~

**Funding is for the purpose of new construction, the expansion of capacity, and to realize efficiencies in the delivery of municipal services (eg. density, proximity to public transit, use of existing municipal infrastructure). Rehabilitation, repairs, or enhancements not leading to a change in use/occupancy are ineligible for funding.**

**Any capital funding for property (eg. land, or land and building) leased from a third party or joint owner shall require a minimum term of 20 years.**

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Building-related infrastructure includes site grading and preparation and utilities (water and sewer, natural gas, electrical etc).

## Eligibility Criteria: Sectors

### 1. Cultural Facilities

Cultural facilities that increase capacity in terms of public accessibility, participation, and sector-specific productivity. This sector links to HRM's strategic goals in cultural development, events hosting, economic development, and immigration<sup>3</sup>.

#### **Arts Facilities: Provincial, Regional and Sectoral and Economic Impact.**

Capital projects that support the development of local **cultural industries and entrepreneurial enterprise**. For the purpose of this program the term 'arts' includes crafts, performing, visual and literary arts. **The term 'cultural industries' denotes the commercial application of creative content, business development, employment opportunities, and market development including exports. May be located on property owned by government or a non-profit organization.**

#### **Ethnocultural Facilities: Regional Economic and Social Impact.**

Community facilities that foster the retention and social integration of migrants and immigrants in HRM **and encourage entrepreneurial and small business development.** The term 'ethnocultural' denotes a community of interest formed on the basis of shared racial or ethnic origin but also includes organizations whose formal mandate serves this sector. **Requires Proposals shall demonstrate a formal link to settlement and retention support services. ie. not a social club. Excludes religious affiliation. Applications from social clubs or collectives based solely upon race, ethnicity or religious affiliation shall not be considered. May be located on property owned by government or non-profit organization.**

#### **Events Facilities: International and National Events Hosting**

Indoor or outdoor event facilities that enhance HRM's national and international events hosting capacity and related economic benefits. Excludes local, regional and provincial level events. Includes conference or trade show venue. Proof of formal hosting bid submission required. **May be located on property owned by government, non-profit organization or club.**

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<sup>3</sup> HRM Cultural Plan (2006), HRM Economic Strategy (2005), HRM Immigration Strategy (2005).

**Public Collections Facilities: National, Provincial, Regional Collections**

Signature buildings, including but not limited to the adaptive re-development of registered heritage buildings, that expand the region's capacity to host national, provincial, or regional collections (ie. museum, archives, historical attraction, interpretation centre) and have a regional economic impact eg. expansion of the cultural tourism sector. Excludes local and community collections. May be located on property owned by government or non-profit organization.

## 2. Sport & Recreation

Sport and recreation and leisure facilities that increase sectoral capacity in terms of accessibility, participation, and environmental stewardship. This sector links to HRM's strategic goals in events hosting, active lifestyles, active transportation, and eco-tourism<sup>4</sup>.

**Competitive Sport:: National, Provincial, Regional Events Hosting and Sectoral Impact**

Organized competitive sports facilities that enhance HRM's national and international event hosting capacity and related economic benefits. Includes a national high performance training centre, a facility owned and operated by an umbrella organization serving a network of local clubs throughout HRM, or a specialized facility with significant sectoral impact on the development of local events. Excludes local, regional and provincial level competition. Proof of formal hosting bid submission required or accreditation as a national high performance centre. May be located on property owned by government, a non-profit organization or club.

**Recreation & Leisure: Local and Sectoral Impact**

Facilities that mitigate an identified gap in public amenities or an under-served population or sectoral impact. or neighbourhood regeneration. The construction of such a facility increases capacity and addresses a demonstrated market for service (ie. market demand is substantiated through an independent analysis and feasibility study). May be located on property owned by government, a non-profit organization or club.

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<sup>4</sup> HRM Indoor Facilities Master Plan (2004).

### 3. Entrepreneurial Enterprise: **Regional Economic Impact**

Capital projects that develop new economic enterprises associated with cultural, educational, and technological institutions **that create municipal tax revenues**. For example, entrepreneurial and small business initiatives in agriculture, natural resources, environmental sustainability, or transportation<sup>5</sup>. **Excludes medical, military, academic or applied research.**

### 4. Fiscal Year

HRM's fiscal year is April 1<sup>st</sup> to March 31<sup>st</sup>.

### 5. Application Deadline

All applications shall be received by 4:30pm June 30<sup>th</sup> **by the deadline stated in public notices and program materials** for consideration in the next fiscal year. Late or incomplete applications shall not be considered.

### Program Budget Submission and Approval

~~Staff shall review submissions and in consultation with the HRM Grants Committee submit a business case and budget request through the regular annual budget process. The ability to provide capital grants under the *HRM Community Facility Partnership Fund* shall be a function of annual budget approval.~~

### 6. Value of Awards

**Typically**, the minimum value of awards shall be \$500,000 and the maximum value of HRM's contribution to a project cannot exceed \$1,000,000. Using these parameters, the minimum value of a project would be \$2,000,000 . HRM's **total** contribution **shall** not to exceed 25%.

The value of a cash award may be decreased relative to other forms of municipal in-kind support such as but not limited to a less than market value sale of public land, a long-term lease of public land at less than market value, property tax assistance, discounted municipal fees, municipal infrastructure, or development concessions (eg. density).

HRM may, at its sole discretion, allocate the program's budget to one applicant or among several applicants in varying amounts. However, the overall aim of the program is to effect a measurable outcome and to avoid a dilution of impact.

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<sup>5</sup> In accordance with Section 57 (1) of the Municipal Government Act (1998) the municipality may provide grants for the purpose of promoting the region as a location for institutions, industries and business.

If there are no applicants of sufficient merit funds shall be placed in a designated reserve and carried over to the next fiscal year.

## **7. Allocation of Funds**

Awards shall be paid in installments. A grant may be phased into several payments based on ~~interim progress reports or a pre-approved schedule~~ on (1) proof of a fully executed construction contract; (2) proof that 50% of the construction has been completed; (3) proof that 100% of the construction has been completed in the form of a Certificate of Completion issued to HRM by the architect in charge of the project.

~~Multi-year awards may be considered but are conditional upon annual approval of a program budget allocation. Because budget capacity may vary significantly from year to year it is advisable to minimize the use of multi-year awards. Any such commitment shall be qualified by the statement "...subject to budget approval" to manage expectations and protect HRM from the risk of subsequent claims (eg. a breach of contract or damages).~~

**Multi-year award commitments shall not be considered.**

There shall be no supplementary or incremental commitment from HRM. The total value of any grant shall not exceed \$1,000,000.

## **8. Carry Forward of Funds**

Funds committed to a project may be carried forward to the next fiscal year. The balance of any un-spent funds (ie. the project is completed under budget or the funds are not utilized) shall be deposited to a designated reserve.

If a commitment or contribution to a project that relies upon third party funding such as volunteer fundraising or a government grant proves not to be feasible (ie. lacks the necessary funding) the unused funds ~~may~~ shall be returned to HRM and deposited into a designated reserve, or with Regional Council's approval may be assigned to another applicant whose project is viable and that meets the requisite minimum standard ie. a score of 70 points or higher.

**Interpretation:** ~~Any movement of funds from one community project to another, or to a new project, requires Regional Council's approval.~~

## **9. Restrictions on Type of Expenditure (Use of Fund not Permitted)**

- An HRM-owned property or capital project is ineligible for funding under this program.
- Assistance to a private interest is not permitted (ie. an individual, family, or informal collective, business, commerce or industry).

- Unless authorized under an Act of the Nova Scotia Legislature, grants to business, industry or commerce (including a for-profit cooperative) shall not be paid from the municipal real property taxes<sup>6</sup>. A business wholly owned and operated by a charity or non-profit organization, that is directly linked to and subordinate to the altruistic aims of that charity or non-profit organization, may be recognized in accordance with Item 4.2.5. of this policy. Applicants are advised to seek confirmation of eligibility from HRM prior to submission.
- Debt repayment for work completed or in progress, or prior losses or cost overruns, is ineligible for funding.
- **Projects able to secure debt financing for the entire capital requirement shall be scored lower.** Claims of financial need shall be verified by HRM staff through an objective assessment of the applicant's funding proposal and applicable financial statement(s).

It is expected that, in an effort to minimize public subsidy, all applicants will seek debt financing to the extent available in the market. HRM will not serve as a guarantor to secure loans or future funding commitment (eg. a pledge payable over two or more years).

- Payment of deed transfer tax, property tax, fire protection tax, deed transfer tax, rent, fees or fines is ineligible for capital funding.
- HRM capital cost charges, local improvement charges, business or marketing levies, and applicable construction-related fees are ineligible for waiver of payment.

## 10. Appeals

**10.1** Any appeal by an applicant ~~declined funding~~ **deemed ineligible** shall only be considered on the basis of:

- new information not available to the applicant and/or reviewers at the time of application;
- an error in the application of approved policy or execution of regular procedures.

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<sup>6</sup> For example:

Heritage Property Act (1989) (s.22);  
Halifax Regional Municipality Marketing Levy Act (2001);  
Halifax International Airport Development Grant Agreement (2004);  
Oil Refineries and L.N.G. Plants Municipal Taxation Act (2004);  
Municipal Government Act (1998) (ss. 56,57,65)

If the appeal is upheld the applicant shall be reinstated in the following year's program, subject to budget approval.

**10.2** Any appeal of the value of an award shall only be considered if sufficient funds remain in the program's current budget allocation. The application shall be referred back to the HRM Grants Committee. Otherwise, the appeal shall be considered in the following year's program and (a) subject to budget capacity and (b) relative to other applicants.

**10.3** An applicant who scores 70 points or higher but cannot be funded due to program budget capacity may be carried forward to the following year's program for consideration, subject to budget approval. However, such applicants shall not receive preferential consideration relative to new applicants.

## **11. Reporting Requirements**

A project final report shall be submitted within three (3) months of the completion of the project.

In accordance with Chapter 18, Item 65 (au) of the Municipal Government Act (1998) a list of all capital grants awarded under the *HRM Community Facility Partnership Fund* shall be sent to a newspaper that circulates throughout the region.

The provisions of the Municipal Government Act (1998) shall be followed with respect to freedom of information and the right to privacy (FOIPOP). The standard protocol directs the initial inquiry to departmental staff. If the request is not met to the satisfaction of the applicant, or not routinely available, the request shall be forwarded to the Director of Community Development. Any grievance should be directed to the FOIPOP Coordinator of HRM who shall be responsible for the review and resolution of requests.

## **12. Indemnification**

The grant recipient(s) shall indemnify HRM against all claims and losses.

In the event of bankruptcy, insolvency or dissolution of the recipient organization HRM shall not be required to complete payment to the project.

HRM shall not serve as a guarantor of the facility development project, nor shall there be any implied or expressed, direct or indirect liability.

## **13. Project Outcomes**

As a condition of funding, all grant recipients shall agree to fulfill a schedule of project-specific, measurable outcomes that are implicit in the proponent's rationale for public funding and in accordance with HRM's funding rationale.

Such outcomes may include but are not limited to LEED certified construction, design excellence, level of public and private investment, program and service impact, employment, and sectoral development opportunities.

#### **14. Communications and Acknowledgements**

The grant recipient and HRM shall cooperate and coordinate those specific aspects of the project in relation to municipal funding. For example, communications regarding municipal support funding, public events, and joint media releases.

#### **15. Right to Audit**

The *HRM Community Facility Partnership Fund* shall be included in the annual audit and requests for a more detailed review will be evaluated by HRM ~~Business Systems & Control Group~~. Any such audit shall check for complete and appropriate documentation, and the fair and equitable application of policy and procedures in decision-making.

## B. PROCEDURES

### 1. Roles and Responsibilities

The *HRM Community Infrastructure Partnership Fund* is managed by HRM Community Development.

#### *Applicant Organization:*

All requests shall conform to the format provided by HRM. Incomplete applications will be considered ineligible for funding.

A grant shall be acknowledged in accordance with conventional protocols as per guidance provided by the program.

Upon request, the applicant may be invited to make a presentation to the inter-disciplinary review team and/or the HRM Grants Committee.

#### *Inter-Disciplinary Review Team:*

An inter-departmental review team shall be convened by HRM Community Development for the purpose of evaluating submissions and forming funding recommendations.

At a minimum the team shall comprise:

- Representation from HRM Finance.
- Representation from HRM Infrastructure and Capital Projects.
- Representation from HRM Community Development.
- ~~Architect and/or engineer.~~
- Departmental staff in the applicable area of program or service delivery.
- ~~Representation from the Greater Halifax Partnership.~~
- HRM Legal Services with respect to funding contracts, partnership or joint use agreements.

At its discretion the team may solicit participation from external technical experts as required by the specific nature of the capital project.

All review team members shall abide by conflict of interest guidelines.

*HRM Grants Committee:*

The HRM Grants Committee comprises six members of Regional Council, one per Community Council. Annually, each Community Council selects its representative to the Committee. Concurrent terms are permitted at the sole discretion of the applicable Community Council. The committee also includes six members of the general public selected by Regional Council through an annual open call for applications. The committee is supported by staff of HRM Community Development, HRM Finance, and the Office of the Municipal Clerk.

The Committee shall receive and debate staff's report with eligibility and funding recommendations. The committee may amend a recommendation in terms of the amount of award, or specific terms and conditions of funding.

The Committee's report is attached to the staff report and submitted to Regional Council for approval.

The Committee may initiate a review of policy and procedures, adjudicate appeals, and receive presentations.

*Regional Council:*

Decision-making authority with respect to any award from the *HRM Community Facility Partnership Fund* is at the sole discretion of Regional Council.

**2. Application Procedure**

Information shall be made available to the public in ~~January of each year and~~ through the HRM web site, program-specific materials, and the media. All applications must be submitted by the stated application deadline ~~June 30<sup>th</sup>~~. The inter-disciplinary review team and HRM Grants Committee evaluate applications and submit a business case and budget request during the regular budget process for funds to be distributed in the next fiscal year a funding recommendation for Regional Council's consideration.

~~This process is intended to:~~

- ~~• Avoid creating demand simply by virtue of supply (ie. a pre-existing budget allocation);~~
- ~~• Enable Regional Council to consider capital requests for non-HRM owned assets relative to municipal capital needs and within the context of each year's capital budget deliberations;~~
- ~~• Adjust the proposed level of funding annually in accordance with the merit of applications and their perceived social and economic impact;~~

- ~~Assess the measurable outcomes of funding to third parties relative to strategic municipal priorities;~~
- ~~Negotiate partnerships, joint use agreements, national or international hosting bids, or inter-governmental agreements as applicable and in a timely manner.~~

### **3. Evaluation Procedure**

All applications will be subject to a standardized scoring process and ranked by the inter-disciplinary review team.

Scores will be weighted in accordance with the following:

- An objective measure of economic and/or social impact. Type, scale, and scope of impact at the respective neighbourhood, community, regional, provincial, national, or international level
- Demonstrated feasibility including but not limited to market research, financial analysis, capital and operating budget projections, and an assessment of the type and scope of program and service delivery (business case).
- Financial impact on HRM in terms of one or more of the following (a) an increase in the municipality's tax base, (b) a reduction in HRM's operating or capital costs, (c) an incremental increase in municipal operating revenues, or (d) alternate service delivery through a formal partnership or joint use agreement.
- Diversification in funding sources and/or proponent's ability to self-finance. Enabling effect or leveraging potential of HRM funding is a key consideration.
- Claims of need or benefit are to be substantiated with current data.
- Type, scale, and scope of impact at the respective neighbourhood, community, regional, national or international level. The geographic and social impact will vary among the funding sectors.
- Long-term sustainability of project/programs, independent of municipal funding.
- Alignment with municipal priorities. Projects that impact more than one priority outcome will score higher than sector-specific proposals.
- Linkage to Municipal strategies (such as but not limited to HRM Cultural Plan, HRM Regional Plan, Economic Development Strategy, HRM ByDesign, Heritage Functional Plan, or events hosting strategy).

- Partnerships and collaboration.
- Sector-wide impacts whose scope is beyond that of the recipient organization or collaborative partners.
- Accessibility and environmental stewardship.
- Design excellence and pride of place.
- Tangible benefit to the general public.

**A minimum score of 70% shall be required for funding consideration.**

#### **4. Reporting Procedures**

Grant recipients shall submit an interim progress report and a final report in accordance with the specific terms and conditions of funding. Insufficient or incomplete reporting shall be just and sufficient grounds to withhold payment.

#### **5. Continuous Renewal Clause**

~~These policies and procedures shall be reviewed after one (1) year of implementation to evaluate its scope, relevance, and efficacy. Thereafter, the~~ **The Fund's** policy shall be reviewed every three (3) years, or upon request, to reflect substantive changes in legislation, municipal policy, or municipal strategic priorities.

Responsibility for the review of policy shall be that of HRM Community Development **and HRM Financial Services with the assistance of HRM Legal Services as required.**

Recommended changes to policy or procedures shall be made to **Regional Council via the HRM Grants Committee.** ~~by HRM Community Development and the HRM Grants Committee for the approval of Regional Council.~~

~~A formal report with staff recommendations shall be presented to the HRM Grants Committee who may amend an award or the conditions of funding. The Grants Committee's recommendation is then sent to Regional Council for approval.~~

**Attachment 2. Score Form.**

**HRM Community Facilities Partnership Program  
Application Review Form  
Application Deadline: xxxx, 2009**

|                                 |              |
|---------------------------------|--------------|
| <b>Name of Organization(s):</b> |              |
| <b>Funding Sector:</b>          | <b>Year:</b> |

|   |                   |
|---|-------------------|
| <b>Level 1. Basic Eligibility</b>   |                   |
| <i>The applicant's eligibility is assessed by staff before a file is evaluated for project merit.</i>   |                   |
| Application late (xxxx,2009, deadline)<br>Located outside the geographic boundary of HRM<br>Debt to HRM/Legal dispute<br>Project is ineligible for funding consideration<br>Application is incomplete<br>Applicant withdrew<br>Other (specify): |                   |
| <b>Proceed to Level 2 of Review</b>   | <b>Ineligible</b> |
| <b>Provide Details of Reason for Ineligibility</b>  |                   |
| <b>Staff prepare a written report for the HRM Grants Committee and Regional Council.</b>  |                   |
| <b>Contact Record:</b> <i>Note the date of contact, name, and information requested.</i>  |                   |

| <b>Level 2. Project Merit</b>  |              |
|--|--------------|
| <i>This section assesses the clarity of the proposal and the project's merit relative to program goals. Scores higher for tangible, measurable outcomes as compared to emotive or speculative claims.</i>  |              |
| <b>Scale of Economic Impact.</b> International, national, provincial, regional.  | <b>/10pt</b> |
| <b>Alignment with HRM Strategic Priorities.</b> Projects that impact more than one priority outcome score higher than sector-specific.<br>Regional Plan<br>Economic Development Plan<br>Cultural Plan<br>Immigration Plan<br>Transportation Plan<br>Inter-Governmental Relations | <b>/10pt</b> |
| <b>Project Readiness:</b> Project to commence within 6-12 months.<br>Construction complete and facility operational within 12-24 months of date of funding.  | <b>/5pt</b>  |
| <b>Partnerships and Collaboration.</b> Formal agreements.  | <b>/10pt</b> |
| <b>Environmental Impact.</b> Sustainability in design and on-going operation.  | <b>/5pt</b>  |
| <b>Sector-Specific Impact.</b> Ability of facility to enhance the profile and economic viability of a specific sector, For example, employment, export of goods or services, centre of excellence, retention of migrants and immigrants/small business, tourism.                 | <b>/10pt</b> |
| <b>Innovation and Creativity.</b>  | <b>/10pt</b> |
| <b>Project Merit: Total Score</b>  | <b>/60pt</b> |

| <b>Level 3. Financial Stewardship</b>  |              |
|--|--------------|
| This sector determines the type and/or degree of financial risk to HRM. Access to government and private sector funding varies significantly by sector: projects should be weighted accordingly ie. limited access to alternate funding scores higher. |              |
| <b>Project Sustainability.</b> Assessment of project financing. Ability of operator to sustain the facility independent of further HRM funding.  | <b>/10pt</b> |

|  |              |
|--|--------------|
| <b>Scale and Type of Municipal Financial Impact</b><br>Increase in HRM's tax base.<br>Reduction in HRM's capital or operating costs.<br>Incremental increase in HRM's operating revenue.<br>Alternate service delivery of municipal mandate. | <b>/10pt</b> |
| <b>Project Financial Management.</b> Technical qualifications and experience, including consultants.   | <b>/10pt</b> |
| <b>Financial Diversification.</b> Share of project self-funded, range or type of sector-specific funding partners, public vs private.  | <b>/10pt</b> |
| <b>Financial Stewardship: Total Score</b>  | <b>/40pt</b> |

| <b>Scoring Summary</b>   |               |
|--|---------------|
| <b>Project Merit.</b>  | <b>/60pts</b> |
| <b>Financial Stewardship.</b>  | <b>/40pts</b> |
| <b>Total Score.</b>  | <b>/100pt</b> |
| <b>Rank.</b>   | <b>/</b>      |
| <b>Recommended Award.</b>  | <b>\$</b>     |
| <b>Terms and Conditions of Funding.</b> Specify measurable project outcome measures. |               |

|   |            |
|---|------------|
| <b>Recommend Decline.</b> In point form briefly explain why this project is not recommended for funding in this year's program. | <b>\$0</b> |
|---|------------|

|  |             |
|--|-------------|
| <b>Reviewer's Name.</b>  | <b>Tel:</b> |
| <b>Date of Review.</b> Individual file. Team review.   |             |
| <b>Referral/Follow-Up.</b> Feedback to applicant. Note type and date (letter, telephone call, meeting) or referral to other program. |             |

- Each reviewer shall evaluate each file and score out of 100 points.
- The review team meet and present their scores, reasons to fund or decline, conditions of funding etc.
- Individual scores are averaged.
- Applicants are ranked according to both (a) average score, and (b) relative to other applicants with respect to project merit ie. the degree of economic and/or sectoral impact.

In accordance with Administrative Order 41: Ethical Conduct Policy:

*Item 6, Obligations to Citizens: No employee shall grant any special consideration, treatment, or advantage to any citizen or group of citizens beyond that which is accorded to all citizens.*

*Item 9, Conflict of Interest: No member of Council or employee, whether paid or otherwise, shall engage in any business transaction or have a financial or personal interest, direct or indirect, which is incompatible with the proper discharge of their official duties or would impair, or reasonably give the perception of impairing, their independence of judgement or action in the performance of their duties.*