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Item No. 3
Halifax Regional Council
November 24, 2009

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in cursive script, appearing to read "Phil Townsend".

For, Phil Townsend, Director of Infrastructure & Asset Management

DATE: November 18, 2009

SUBJECT: Funding Agreement - Transit Service to the Airport

INFORMATION REPORT

ORIGIN

Proposal by Halifax International Airport Authority.

BACKGROUND

Service to the HIAA was always contemplated as part of the Highway 102 MetroX Service. Originally that service was planned to be introduced in the 2011/12 fiscal year. Currently, expansion of Rural MetroX is contemplated in both the 5 Year Approach to Transit Enhancements and the current 5 Year Capital Budget. MetroX service to Halifax International Airport is planned for implementation in Spring of 2011 as reported to Regional Council in the May 21, 2009 (item 13.1.3).

DISCUSSION

In a letter dated August 4, 2009 Tom Ruth, President and CEO for the Halifax International Airport Authority (HIAA) presented HRM with a request to bring MetroX transit service to the airport by August of 2010. To facilitate this accelerated time line, he proposed making a capital contribution to the project of \$450,000.

Offers of financial support by airport authorities toward transit projects are an exception. Staff have undertaken a survey of airports in Canada that have municipal transit service and determined that no airports assist in the operational funding of transit. The Vancouver International Airport Authority's contribution to the capital cost of the \$1.9 billion Canada Line is the only other instance of an airport contributing to the capital cost of a transit project.

Staff have investigated options for accelerating delivery of the service to meet the request of HIAA to introduce the service by August of 2010. The original MetroX vehicle RFP awarded a 3-year contract for the supply of up to 30 vehicles to be built on a GMC chassis. The first 10 vehicles were built and delivered, and are currently providing service to Tantallon. When staff approached the vendor to exercise a subsequent order, we were informed that due to the changing economic climate, GMC was no longer producing the specified chassis. Attempts to find surplus chassis proved impossible, and therefore staff were left with no alternative other than to terminate the existing contract and prepare a new Request for Proposal for an alternative chassis.

It is anticipated that a revised Request for Proposal can be prepared by late January of 2010. The most recent vehicle tender involved a two-month time frame for proponents to prepare their proposal, followed by time for staff to evaluate the bids, prepare a report to Regional Council and award the contract. Realistically, an award and Notice to Proceed will take until May of 2010. However, discussions with perspective vendors indicate there is continued uncertainty surrounding the availability of alternative chassis as well. Given this, their conservative estimates for the construction and supply of new MetroX vehicles is six to eight months following the issue of a Notice to Proceed, making it virtually impossible to meet the August of 2010 expectation of HIAA. The earliest possible date is December of 2010, but more probably Spring of 2011.

The proposed service will provide 30-minute peak service and 60-minute off peak service on weekdays, running from 0600 to 2400 hours. It is also proposed that the service will operate on weekends, providing 60-minute service, also from 0600 to 2400 hours. This is intended to meet the anticipated demand from employees working at the airport. It is estimated that 6 vehicles, plus 2 spare vehicles to ensure reliability, for a total of 8 vehicles will be required to meet this service design. Staff will work with the Airport to define the service details.

Although the bus availability issue prevents a commitment to the 2010 target date, staff will continue to discuss with HIAA ways to work co-operatively towards bringing an agreement to council that would see operation of MetroX service to the airport on or before Spring, 2011.

BUDGET IMPLICATIONS

Operating costs for MetroX service to the airport are estimated to be \$1.27 million net of fares. Depending on bus availability, the fiscal year and/or annualized costs will need to be included in the annual service plan for 2010/11 fiscal years.

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.

ATTACHMENTS

There are no attachments.

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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