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Item No. 10.1.4
Halifax Regional Council
February 23, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "Dan English".

Dan English, Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Wayne Anstey".

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: January 28, 2010

SUBJECT: Undergrounding of Overhead Utilities - Hollis/Morris

ORIGIN

1977 Halifax Council Report to Create the Short Term Pole-Free Zone.

2006 HRM Council Report to Council extending the Pole Free Zone to include the entire Capital District.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve the allocation of \$500,000 to enable the Halifax Regional Municipality to participate in undergrounding of overhead power and telecom infrastructure along Morris Street between Lower Water Street and Hollis Street, and including the Morris Street-Hollis Street intersection.
2. Approve 2010/11 advance funding from CDX01182 - Downtown Streetscape account in the amount of \$500,000 to enable participation in this project to begin immediately.

BACKGROUND

The Halifax Regional Municipality has been committed to undergrounding of overhead utilities in the Capital District of the Municipality since the initial “pole free zone” was established in downtown Halifax in 1977. By 1990, 90% of the overhead utility infrastructure was undergrounded. Substantial undergrounding occurred during the 1980's under the Provincial Main Street program funding. This was how Portland Street was funded, as well as areas of downtown Halifax. In addition, because it was advantageous for utilities to underground in the downtown core due to extensive development, both NS Power and Aliant agreed to cost share this initiative, effectively on a 50%/50% basis. The only work completed since that time has been in conjunction with specific development.

Undergrounding work in the expanded pole free zone has been limited to development, where by necessity, or Development Agreement, overhead utilities bordering larger developments have been undergrounded. Unfortunately, due to lack of funding, HRM has not been able to take advantage of development projects and extend undergrounding beyond the development boundaries. As a result, the effectiveness of undergrounding, in some cases was debatable.

DISCUSSION

Rockstone Developments have commenced preparing the site, at the corner of Hollis Street and Morris Street, for construction of a 10-storey development. The Development Agreement for this project requires consideration of removal of overhead utilities around the street side perimeter of the property. However, due to the extensive overhead power system, both along Hollis Street and Morris Street, and interconnections in the intersection, removal of all overhead cabling by the developer would be beyond a reasonable expectation. As a result, NS Power was approached to provide an estimate for complete undergrounding of the Hollis/Morris intersection, Morris Street to Lower Water Street, and the overhead line extending from Lower Water Street to the waterfront.

On January 21, 2010, HRM staff reviewed an NSPI proposal for a phased undergrounding of the Hollis/Morris Street intersection, and Morris Street from Hollis Street to Lower Water Street. In addition, there was discussion around undergrounding the overhead line from Lower Water Street to the Water Front. Because this location is part of the original “pole free zone” the total project cost would be shared in accordance with the agreement for that area. HRM would be responsible for civil infrastructure and NSPI for all cabling. NSPI estimates that the HRM contribution for the Morris Street and Morris/Hollis Streets Intersection undergrounding would be approximately \$300,000.00. In addition, undergrounding of telecoms needs to be considered. An additional \$100,000 would be needed to accommodate that aspect of the work.

Rockstone Developments have committed to removing overhead cables bordering his development on Hollis Street, and installing conduit for an underground service connection on Morris Street. In

addition, the developer intends to install additional conduits to accommodate future undergrounding initiatives on the street. The Developer has also indicated that if the full undergrounding is envisioned, he will allocate space within the building to house necessary, utility equipment replacing the overhead transformers and switches.

With respect to overhead cables, poles and anchors, this location is one of the most congested intersections in the HRM. This development, as well as the NSPI development at their Lower Water Street property provides an opportunity to dramatically improve one of the last remaining original pole-free zone overhead utility installations.

Upgrades to the traffic signal system at the Hollis Street and Morris Street intersection will be coordinated with this project. It is estimated that an additional \$100,000 will be needed to underground the traffic signal system project. Street light replacements will be coordinated with the developer, who will install street lights removed as a result of the development.

BUDGET IMPLICATIONS

If approved Nova Scotia Power and all impacted telecoms will contribute approximately 50% of the total cost to underground their respective overhead infrastructure in this defined area. The utilities will pay for removal of overhead system, retirement of assets, purchase, installation and commissioning of new cable, switches and transformers. HRM will pay for the civil work which includes the conduit system. HRM will not be receiving funds from the utilities as each party is responsible for their own costs.

HRM's estimated contribution to utility undergrounding is anticipated to be \$500,000. The proposed 2010/2011 budget includes \$1.47 million for CDX01182 - Downtown Streetscape. The advanced funding approval for Hollis Street-Morris Street undergrounding, as outlined in Recommendation #2, is part of the 2010/11 proposed budget of \$1.47million.

All planned Streetscaping projects have estimate price tags of between \$5M and \$10M each. Even if this contribution to utility undergrounding was not approved, there would not be enough money in CDX01182 to permit any of the Streetscaping projects to proceed in the 2010-11 fiscal year.

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. Limit the undergrounding in this area to the Developer's planned undergrounding on Hollis Street, which was required to demolish the existing structure, and erect the new development. This will eliminate the opportunity to utilize the planned development for housing necessary transformers and switches, adding a significant cost to possible future undergrounding of the area.
2. A staged undergrounding could be implemented which would spread the capital cost over two or more fiscal years, with limited impact or cost to the project. This approach would result in extended disruption to the area, and possible increased outages to affect switching of loads.

ATTACHMENTS

Pictures of Hollis/Morris Street Intersection

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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Picture 1





Picture 3



