



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Re: Item No. 12.1

OFFICE OF THE MUNICIPAL CLERK

For Regional Council Consideration on December 13, 2010

**In Camera Recommendation re: Proposed Convention Centre
(December 10, 2010)**

Regional Council Action Required:

Motion: That Regional Council:

1. Support the development of a new convention centre pursuant to the following terms with the Province of Nova Scotia:

The project will go forward only if the Government of Canada agrees to provide funding in the amount of one-third of the project's eligible capital costs (estimated to be approx. \$46.8 mil). The Federal contribution will take the form of a lump sum payment to the developer upon substantial completion of the project's construction.

That HRM and the Province will be equal partners in funding of the balance of the project's capital costs and all other annual developer-related costs and in underwriting any annual deficit which might be incurred by the entity responsible for the operation of the new facility.

Property taxes will be treated as a shareable annual cost of the entity responsible for operating the convention centre, with the understanding that:

- a) Actual property-related taxes paid per sq. ft. on the existing convention centre would be used to determine taxes payable on the new convention centre.
- b) Property taxes will be applied beginning in the year that construction of the new convention centre is completed, (Provincial share only) and
- c) Beginning in 2015-2016 the amount payable would increase at the lesser of the actual rate of inflation (i.e. CPI) or 2% per annum.

The new convention centre will be leased by the government for a period of 25 years and the lease agreement will contain provisions for two 5-year extensions and an option for public buy out at an agreed-upon-formula at the 22 year point and at the 30 year point for a \$1.00 (a dollar)

That HRM will purchase the existing WTCC for its book value effective the opening date of the new convention centre if the province is unable to sell it for more than its book value before the same time.

Responsibility for the promotion, marketing and hosting of events in the new facility will rest with the public sector entity whose primary role would be running the convention centre

The aforementioned entity will be governed by a competency-based Board of Directors appointed jointly by the Province and the HRM.

The parties will collaborate in an overall economic development governance review that will consider the optimal structure of the convention centre operating agency to support the long-term economic development of the region.

Negotiations with the developer will be led by the Province and the HRM will be an active participant on the negotiating team

That the developer agrees to construct the entire project to be at substantially completion at the time of the opening of the convention centre.

2. Authorize the Mayor to execute a letter of agreement with the Province of Nova Scotia based on the terms outlined above
3. Direct staff to return to Council for approval of the formal agreement
4. It is further recommended that this presentation be released to the public upon a public announcement with respect to the recommendations outlined above.