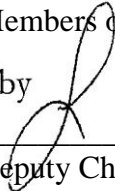


**Item No. 3**  
**Halifax Regional Council**  
**March 29, 2011**  
**Committee of the Whole**

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

**SUBMITTED BY:** Original Signed by   
Mike Labrecque, Deputy Chief Administrative Officer

**DATE:** March 23, 2011

**SUBJECT:** Community Centre & Artificial Turf Enhancement – Bedford High School

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**ORIGIN**

Recommendation 52 and 53 (See Attachment A: Community Facility Master Plan Recommendations) in the Community Facility Master Plan to guide the development, recapitalization and replacement of aging community and recreation facilities.

The April 2009 announcement by the Minister of Education for the replacement of Charles P. Allen High School with a new facility set to open in September 2013.

Motion by North West Community Council on January 27, 2011, to approve an area rate to fund 50% of the capital cost of the proposed Bedford - Hammonds Plains community centre.

**RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Approve entering into a joint partnership with the Province to add a community centre and regulation size artificial turf sport field to the new high school in Bedford at an estimated price of \$10.7 million and include the appropriate funding in the 2011-12 and future budgets as outlined in the budget implications section of this report; and
2. Direct staff to return with the final details of the Bedford-Hammonds Plains Area Rate at budget time.

## **BACKGROUND**

### **Community Facility Master Plan**

Regional Council approved in principle the Community Facility Master Plan (CFMP) in May of 2008. The CFMP covered the provision of a wide range of community, recreation, sport, event and cultural facilities in HRM. A number of recommendations and findings were provided in the Master Plan to identify and guide priority areas. Each of the findings and recommendations are to be investigated in greater detail and brought back to Regional Council for further action as required.

The Master Plan recommends HRM explore further opportunities to do joint projects whenever new school facilities are being planned. In 2010, HRM was able to successfully collaborate with the HRSB on the addition of a new community centre to the new school in Porter's Lake. The funding sources for the Porter's Lake community facility included a combination of area rate and general tax rate funding.

Recommendation #52 discusses the need to ensure that, when new or replacement facilities are developed, the facilities are placed in the most relevant locations and are consistent with other planning documents such as the Regional Plan and Transportation Plan. This proposed facility is located in the approved Bedford West Master Plan area.

### **New Bedford High School**

In April 2009, the Minister of Education announced a new high school would be built in Bedford to replace Charles P. Allen High School, and that it would be scheduled to open in September 2013. On December 14, 2010, the Province announced that Innovation Drive had been selected as the site for the new school. This is within Bedford West, one of the Municipality's designated Master Plan growth areas. Currently, the Province is engaged in the detailed design phase for the new school.

The announcement of a new school for the area provided an opportunity for HRM to explore the benefits of partnering with the Province to expand the school to include a community centre component, thereby reducing construction costs over a stand-alone HRM facility. The savings from combining the new community centre with the new school arise from reduced exterior wall construction, reduced footprint (because some classroom space is shared), and reduced land development costs for site development and parking. In addition, there is no HST charged to HRM in this type of partnership. The facility would be owned by the Province but would be governed by a Joint Use Agreement. The estimated savings from partnering are approximately \$2.6 million, compared to the cost of a stand-alone facility.

### **Project Construction Cost Comparitors**

HRM is currently paying approximately \$300.00 per square foot (without land costs) for new municipal non-partnership builds. The following will outline current Municipal costs vs partnership costs for this project:

Municipal cost per square foot (sf):	\$300.	At 33,000 gross sf for project:	\$9,900,000
Provincial Partnership cost per sf:	\$220.	At 33,000 gross sf for project:	<u>\$7,253,550</u>
<i>Savings to the Municipality for Community Centre:</i>			<i>\$2,646,450</i>

Municipal cost for artificial turf construction:		\$2,360,950
Provincial Partnership cost for artificial turf construction:		<u>\$2,360,950</u>
<i>Savings to the Municipality for artificial turf:</i>		<i>\$ 0</i>

Not included in the above numbers are:	Land costs:	\$475,600
	FF&E:	\$300,000
	Cafetorium Enhancements:	\$300,000

***Total Project Savings: \$2,646,450.***

Community Development and Infrastructure and Asset Management staff have worked together to review the design concept and the project construction costs and are satisfied that, within reasonable expectations, the costs are reflective of all project risks. The cost estimate provided by the Province includes a 10% contingency allowance. Previous Partnership projects such as Citadel High and Porters Lake have not experienced any further costs than those estimated in the Class C estimate. Project changes at this time are expected to be minimal, and would be limited to finishings. Any significant project change orders initiated by HRM would be a direct cost to the Municipality over and above these allowances.

## **DISCUSSION**

### **Project Scope and Funding**

The proposed community centre enhancement would be approximately 22,000 net square feet (33,000 Gross) and has been designed to take into consideration future growth in Bedford and Hammonds Plains.

These Community Centre components are consistent with defined community recreation facility components outlined in the Community Facility Master Plan.

### **Funding:**

#### **50% by General Rate and 50% by Area Rate:**

- Expansion of the new School Gymnasium by 2,100 square feet (to 10,500 sq.ft., total)
- An additional 8,400 square feet Community Gymnasium
- Preschool, youth, and senior program spaces
- Art and leisure program spaces
- Community meeting rooms
- Dance and exercise studios
- Child minding area

**100% Area Rate:**

The Community has requested that there be an additional allowance of \$300,000 allocated for equipment enhancements to the school “cafetorium”. This cafetorium will serve the school need for performance and presentation space, and will be available for community use as well. These requests have come forward from the community and are outside of the program scope of new school construction for the Province. In addition, funding for this type of facility falls outside of the current Municipal mandate and is therefore not proposed as part of the cost shared funding. The allowance is included in this proposed funding formula as a direct result of strong community comment.

**76% General Rate and 24% Area Rate**

An artificial turf regulation size football field at an estimated cost of \$2.4 million is also proposed for this site. The field would be an HRM owned regional asset and therefore would be funded through the Project Budget. The cost of building this field is approx. \$560K higher in this location as a result of the higher than average site development charges. As a result of the desire of the community to have the field at this location, the site specific costs associated with the field will be accommodated in the Area Rate charges. The remaining \$1.8M cost to build the artificial turf field is proposed to be covered by the General Rate.

It should be noted that there is significant value added by co-locating the artificial turf field with the community centre. The school and community centre can provide support and ancillary facilities. The community centre will enhance the overall experience to field users during tournaments, training and recreation.

Following the successful collaboration between HRM and the Province on a new community centre for the Porter’s Lake area, Councillors for Districts 21 and 23 suggested a similar funding formula for a community centre serving Bedford and Hammonds Plains.

**Area Rate Catchment Area**

Based on feedback from the public consultations, staff has narrowed the catchment area for the proposed area rate to Bedford (District 21) as well as a small portion of Hammonds Plains (within Districts 19 and 23). A map of the proposed catchment area is proposed to be circulated with the final area designated during the upcoming budget discussions.

It has also become clear that some taxpayers in Hammonds Plains are more likely to use the proposed community centre rather than the St. Margaret’s Centre. One possible option would be to include them in the new catchment area while simultaneously excluding them from the catchment area for the current St. Margaret’s Centre area rate. Since this would extend the duration of the St. Margaret’s area rate, this should not be done without some discussion with that community.

**Area Rate Process**

The Interim Area Rate Guidelines provide the basis for a community consultation process for new area rates or uniform charges, including the mailing of a formal ballot to all owners of property within the proposed catchment area. However, in this case, a quick response from HRM

was required to take advantage of this partnership opportunity without delaying the new school's completion date. As a result, there was not sufficient time to complete a comprehensive community consultation with a formal ballot. The current status of this area rate in terms of the steps for the Interim Area Rate Guidelines is as follows:

*1. Area rates can only be used for the provision of services within the municipal mandate; services traditionally provided by the municipality.*

Section 79(1)(ah) of the Charter states that Council may expend money required by the municipality for playgrounds, trails, bicycle paths, swimming pools, ice arenas and other recreational facilities. The Halifax Regional Municipality and its predecessor municipal units have traditionally funded, either entirely or partially through partnerships, the construction and ongoing operating costs of recreation facilities.

The provision of funds for the school's equipment enhancements would not typically be a municipal service and would contravene this part of Council's guidelines.

*2. Area rates are not to be used to provide different levels of a municipal service within urban and suburban areas where said service is covered by the general tax rate.*

The community to which the area rate would be applied is within the urban and suburban areas of HRM. Under Council's approved tax structure the urban/suburban general tax rate includes recreation facilities and area rates would not normally be used. An exception has been made in two other cases where area rates were used to support community facilities in the urban/suburban catchment area. Regardless, Council has the ability to exclude itself from this portion of the guidelines.

*3. In order for a proposed new area rate to move to the process as outlined in #4 below, it must have the support of the area's Councillor(s).*

The catchment area for this area rate falls entirely within Districts 19, 21 and 23. Councillors Outhit and Lund requested that staff bring forward a proposal to Council to enter into a joint project with the Province and to partially fund the community centre and a small percentage of the artificial turf facility from an area rate. Councillor Johns agreed that the catchment area include would Kingswood North in Hammonds Plains.

*4. Proposals for new area rates must be advertised publicly, clearly identifying affected areas, the purpose for the rate, rate information and the duration the rate is expected to be charged. A public meeting will be held and those attending the meeting will be informed of the rationale for the rate and consulted on its appropriateness.*

A public meeting was held on January 5, 2011 at the BMO Centre on 61 Gary Martin Drive in Bedford. The meeting was advertised in District 21 through Councillor Outhit's newsletter. The article in the newsletter makes reference to an area rate to fund part of the cost of the new community centre. It also provided the date, time and location of the public information

meeting. In District 23, Councillor Lund contacted several homeowners' associations by e-mail to advise them of the date, time, location and purpose of the meeting, and requested that they contact their members to advise them of the meeting.

An informal poll of those attending the meeting indicated that almost everyone in the room supported the concept for the project and an area rate or uniform charge to fund 50% of the cost of constructing the community centre.

Councillor Lund also held a public meeting on January 17, 2011 at the Hammonds Plains Fire Hall to discuss the proposed area rate. As with the meeting on January 5, he sent an e-mail to several homeowners' associations by e-mail to advise them of the date, time, location and purpose of the meeting, and requested that they contact their members to advise them of the meeting. Feedback received at that meeting indicated that residents in Hammonds Plains to the west of Lucasville Road already pay an area for the St. Margaret's Centre, another community facility closer by, and therefore do not require and would not make use of another such facility located in Bedford. As a result of this input, the proposed catchment area for the new area rate was changed to exclude Hammonds Plains to the west of Lucasville Road.

A notice was mailed to each property owner inviting them to view the presentation at the January 27 meeting of North West Community Council. It provided a brief description of the purpose, amount and term of an area rate or uniform charge, and a map of the catchment area on the reverse side. The map included with the notice differed from the map of the catchment area and will be brought back to Regional Council for information during the upcoming budget discussions. The map was changed due to feedback received from the community.

*5. With the concurrence of the Councillor(s), the request is forwarded to the Community Council for review and a recommendation to Halifax Regional Council. Where a Community Council does not exist, the request will go directly to Halifax Regional Council.*

North West Community Council met on January 27, and staff gave a presentation to approximately 150 people in attendance. North West Community Council voted unanimously to recommend the adoption of the area rate to Regional Council.

*6. Any proposed new area rates recommended by a Community Council (or, in the absence of a Community Council, the Councillor for the area) will be submitted to Halifax Regional Council through a staff report with a recommendation from the Chief Administrative Officer. The staff report will identify the implications to the Municipality along with the results of any public meeting.*

As a result of the unanimous recommendation of the North West Community Council, this staff report is before Regional Council.

7. *Halifax Regional Council is responsible for approving all area rates.*

Regional Council may accept, reject or alter the recommendations of the North West Community Council.

Under Council's Approved Tax Structure, area rates are not normally used in the urban core for recreational facilities. There are, however, two instances where such area rates now exist within the core. Adding a third area rate to the urban area will further compromise the tax structure. Finance staff expect to review the taxation of recreational facilities with a viewing to altering or replacing the current system of area rates on recreation.

### **BUDGET IMPLICATIONS**

Based on design and Class C cost estimates provided by the Province (Department of Education and Department of Transportation and Infrastructure Renewal), the proposed project would be financed as follows:

Component	Funding Source	Amount
Community Centre	General Rate	\$4.42 million
Community Centre	Area Rate (12 year)	\$4.88 million
Artificial Turf Field	Project Budget	<u>\$1.4 million</u>
	Total Project Cost:	\$10.7 million

This Class C estimate is reflective of the the same level of detail and scrutiny completed for other Provincial/Halifax Regional School Board/HRM partnership projects such as Citadel High School and Porters Lake Elementaey School. Both previous projects were aproved by Regional Council using this formula, and both have stayed on budget. This cost estimate includes a 7% design and pricing allowance, a 3% construction allowance, and reflects a lower cost per square foot than our current municipal construction projects are costing. Should the final tender costs come in higher than the estimated amount, the overage would be equally shared between the general tax rate and the area tax rate. The Province requires that a \$1,000,000 payment is made toward this project in the 2011/2012 fiscal year. Half of this will come from the general rate and half will come from the area rated portion of the project.

Council will be required to fund the remaining municipal contribution of \$3.9M for the community centre component of the project over two years – 2012/13 and 2013/14. The artificial turf field amount of \$1.4M is currently included in the 2012/13 Project Budget and is currently in the 5-year capital budget, account # CPX01061- New Artificial Fields.

The area rate is based on growth of the assessment base in the Bedford – Hammonds Plains area. Should economic/development assumptions not be met, the area rate may need to be extended to cover the agreed capital costs.

No estimate has been developed for the ongoing operating costs of the proposed community centre including utilities, maintenance and programming. These costs would be borne by the general tax rate. Consistent with any new services and programs additional operating costs will be added to the general tax rate when the service is introduced. The intent is to have this new facility managed by a community board like many existing facilities with some level of operating subsidy from HRM to be finalized with the program development.

This proposal includes providing funding directly to a provincially owned asset. In the case of the community center, the asset is intended for HRM's use as a community centre. It will be governed by a joint use agreement. The funding of the equipment enhancements to the building, while allowed under Provincial law, provide a subsidy for a service provided by another level of government and creates pressure for HRM to fund other school improvements. Moreover, under HRM's Supplementary Funding Agreement, Council has agreed not to introduce any educational area rates "without the approval of the HRSB".

### **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

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

### **COMMUNITY ENGAGEMENT**

Details of the public consultation process are provided in the Discussion section of this report.

### **ALTERNATIVES**

1. Regional Council could decide not to proceed with this project at this time. The Province would proceed to build the new school and HRM would likely move forward on a separate HRM-owned facility at some point in the future, following a more-detailed visioning exercise. However, the opportunities of a joint partnership with the School Board and the resulting construction cost savings and operating efficiencies would be lost.
2. Regional Council could approve proceeding with the project with a requirement that 100% of the funding come from the general tax rate and that there be no area rate in the urban/suburban area. This approach is consistent with Council's approved tax structure. It does, however, place greater cost pressure on the general tax rate.
3. Regional Council could decide to change or limit the amount of funding provided to the project from the area rate by changing the catchment area, the amount, or the term of the area rate.
4. Regional Council could remove amounts intended for equipment enhancements within the school and reduce the area rate levy accordingly.



**ATTACHMENTS**

Attachment A: Community Facility Master Plan Recommendations

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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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Original Signed

**ATTACHMENT A**

**Community Facility Master Plan Recommendations**

**Recommendation 52: New Community Centres and Multi District Facilities**

That HRM continue to replace and/or construct new community centres and Multi District Facilities in the most relevant locations.

**Recommendation 53: Junior High and High School Gym Access**

That building upon the successful relationship established with HRSB on the development and operation of Citadel Public Access Gymnasium, HRM continues to develop of this type of facility in partnership with HRSB