

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
Councillor Russell Walker, Chair, Grants Committee

DATE: April 4, 2011

SUBJECT: Canadian Naval Memorial Trust – Funding Request for Design
Competition: Naval Memorial/Maritime Museum of the Atlantic

INFORMATION REPORT

ORIGIN

The March 7, 2011 and April 4, 2011 Grants Committee meetings.

BACKGROUND

On January 25, 2011, Regional Council passed a motion requesting that the Grants Committee provide response on whether or not the HRM Grant Program had the ability to fund the HMCS Sackville Trust's request for funding in regard to a study required for Queen's Landing lands.

DISCUSSION

The Grants Committee discussed the matter at their March 7, 2011 meeting and again on April 4, 2011. At the March 7, 2011 meeting, it was determined that the Grant Program could provide funding and staff were requested to prepare an Information Report outlining the options and criteria for HRM funding.

At the April 4th meeting, the Grants Committee reviewed the Information Report prepared by staff and agreed to forward the report to Regional Council.

BUDGET IMPLICATIONS

None associated with this report.

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

See staff report dated January 5, 2011.

ALTERNATIVES

See staff report dated January 5, 2011.

ATTACHMENTS

1. Staff report dated January 5, 2011.

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.

Report Prepared by: Chris Newson, Legislative Assistant, 490-6732



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

HRM Grants Committee
April 4, 2011

TO: Chair and Members of HRM Grants Committee

Original Signed

SUBMITTED BY:

Paul Dunphy, Director Community Development

DATE: February 7, 2011

SUBJECT: **Canadian Naval Memorial Trust – Funding Request for Design
Competition: Naval Memorial/Maritime Museum of the Atlantic**

INFORMATION REPORT

ORIGIN

January 25, 2011 – Motion passed that “Regional Council request a report regarding HRM’s ability to grant funding to HMCS Sackville Trust for a study required for Queen’s Landing lands and that the request be forwarded to the Grants Committee”. This matter relates to a request from the Canadian Naval Memorial Trust for a grant in the amount of \$100,000 towards completion of a national design competition in relation to the proposed Naval Memorial and expanded Maritime Museum of the Atlantic.

BACKGROUND

The Canadian Naval Memorial Trust (CNMT) is a non-profit society established in 1982 and comprising trustees from across Canada and around the world. The Trust’s primary purpose is the preservation and promotion of Canada’s Naval history, including the operation of an Interpretation Centre and stewardship of the HMCS SACKVILLE. In 1985, HMCS SACKVILLE was officially designated as Canada’s Naval Memorial. The Trust is largely self-sustaining through donations, investment earnings, gift shop and Sackville Mess revenues. An agreement with the Department of National Defence also provides assistance for support services, berthing, maintenance, and refits on a project-specific basis. The Corvette is an iconic symbol of national achievement during World War II and honours 2,000 Canadians who died in the Battle of the Atlantic and the 100,000 who served, as well as those who have or presently serve in the Canadian Navy.

At the January 25, 2011, meeting of Regional Council, Councillor Dawn Sloane presented a written request from the CNMT for a grant of \$100,000 paid over two years towards a national design competition in relation to a proposed enclosed seawater berth for HMCS SACKVILLE and an expansion to the provincial government's Maritime Museum of the Atlantic. See: **Attachment 1**. For clarity, this request differs from a request from CNMT in February, 2010, for a donation of \$50,000 as a lead gift in launching a "Corporate Donor Campaign". The latter sponsorship/membership solicitation was declined in a letter from CAO Dan English dated February 11, 2010. See: **Attachment 2**.

Note: Albeit a grant in the amount of \$100,000 has been requested, this is not in fact the primary concern of the CNMT. Indeed, in a brief dated February 3, 2011, "The project will proceed with or without HRM support....". Rather, HRM has been asked to:

- Demonstrate public support for the development of the Canadian Naval Memorial and its continued location in Halifax, Nova Scotia.
- Participate in a national competition for the design of (a) an iconic waterfront memorial, and (b) the expansion/enhancement of the provincial Maritime Museum of the Atlantic. A grant of \$100,000 would be taken as a "symbolic" indicator of municipal support for the Naval Memorial.
- Demonstrate support for the Canadian Navy, a major employer and integral to the defence sector's economic impact in HRM (HRM Strategies for Success 2005-2010, p.19).

DISCUSSION

1. Establishing Precedence

The referral of a funding request directly to Regional Council could set precedence and encourage similar requests from groups seeking preferential consideration or exemption from prevailing program policy and procedures. In this specific case, staff have been asked to advise on HRM's *ability to fund*; the issue of whether the project should be municipally funded in the absence of specific funding criteria or a comprehensive business case, or relative to other large-scale capital projects, is not addressed.

2. Funding Request

Project Description: The CNMT has entered into an agreement with the Province of Nova Scotia (Maritime Museum of the Atlantic) and the Waterfront Development Corporation to advance a concept for the development of public holdings in the vicinity of Sackville Landing. The CNMT's ambitious vision encompasses an enhanced Maritime Museum of the Atlantic, the Maritime Command Museum (Stadacona), a Naval Memorial Hall, and the protection of HMCS Sackville in an enclosed seawater berth (Letter to HRM dated November 19, 2010). See: **Attachment 3**.

Cost Projections: Very preliminary estimates put the capital cost of the Naval Memorial (HMCS SACKVILLE) at \$80,000,000 with the proposed expansion of the Maritime Museum of the Atlantic at a further \$70,000,000. Therefore, Regional Council should anticipate that a commitment in support of a design competition may elicit future capital funding requests from one or more of the participating partners. Indeed, the proponent states "...There will undoubtedly be some cost sharing arrangement worked out between the Federal, Provincial and Municipal Governments concerning the MMA and infrastructure support" (Letter to HRM dated November 19, 2010, p.2). CNMT anticipate that since it is a national project, the federal government will fully fund the Naval Memorial but this commitment has yet to be confirmed.

In 2008, the CNMT retained Ketchum Canada Inc to determine the feasibility of launching a \$10,000,000 campaign in support of building a permanent dry dock to house HMCS SACKVILLE. The consultant recommended a campaign goal of \$4-\$5,000,000. It should be noted, however, that the consultant's analysis was undertaken in 2008 and "...the project has changed considerably in scope and implementation strategy" (CNMT Briefing Notes, February 3, 2011, p.2).

Design Competition: The proposed cost of project management and a national design competition for the Canadian Naval Memorial and an expanded Maritime Museum of the Atlantic is \$900,000. The federal government have been asked to commit \$300,000, the provincial government \$300,000, and the CNMT has committed \$300,000. Included in the Trust's commitment is the \$100,000 requested from HRM. A breakdown of costs is included in correspondence to HRM dated February 3, 2011, and included as **Attachment 4**. The proposed costs span a period of two years with start-up and the bulk of expenditures in 2011-2012. However, the Trust's audited financial statement (2009) confirms the CNMT has the capacity to meet their commitment independent of municipal funding.

3. Municipal Funding Options

Community Grants Program: In the opinion of staff, the *Community Grants Program* is not designed nor funded for the purpose of inter-governmental projects of this scale. Albeit consulting fees in relation to proposed cultural facilities have been awarded, they are in the \$5,000-\$15,000 range. Awards in the \$25,000 range represent the combined value of grants awarded to distinct phases of a project in successive years. The program does not award multi-year commitments.

The Canadian Naval Memorial Trust could make application to the Community History sector of the program in accordance with established program policy and procedures. Presently, there is no restriction on recurring annual submissions but the probability of being awarded the maximum capital grant of \$25,000 for 4 successive years is unlikely given the potential impact on other applicants of comparable merit.

Community Facility Partnership Fund: This Fund was created to address large-scale capital requests from non-profit organizations and/or inter-governmental initiatives that support the HRM Economic Development Plan and the HRM Cultural Plan. However, under existing policy, the program would not fund a design competition independent of confirmation that the capital project is proceeding in a timely manner. Further, this program did not receive a budget allocation in 2010-11. If the Fund is reinstated in 2011-12 or in subsequent years it is anticipated that application would be through an open call for submissions. Applicants would be evaluated in accordance with program criteria and relative to other proponents of comparable merit.

Cultural Development Reserve (Q312): The reserve is funded through the transfer of 10% of proceeds from the sale of HRM capital assets, has greater flexibility as compared to the Community Facility Partnership Fund, and has been used to partner with local organizations on cultural projects albeit of a much smaller scale eg. Fallen Peace Officers Memorial. Clearly, the reserve's capacity fluctuates annually with property sales that vary in volume and value. Consequently, any substantial funding commitments to third parties must be scheduled so as to reduce any adverse impact on the reserve's capacity to finance capital projects for HRM-owned assets such as but not limited to Granville Mall, 1588 Barrington Street, and the proposed Dartmouth Cultural Centre. The reserve does not fall under the Grants Committee's terms of reference. Therefore, any consideration of funding would have to be evaluated by the respective departmental staff. If access to the reserve is to be open to third parties for non-HRM assets, it is likely that detailed policy and procedures would need to be developed and that equitable access to opportunity be established through an open call for submissions.

Strategic Growth Reserve (Q126): The reserve is intended to respond to challenges posed to HRM's service and infrastructure capability by population growth, rapid urban and suburban development, and technological advances to assist in leveraging funds from other levels of government and external agencies. The reserve's policy clearly defines "strategic" to mean initiatives that enable HRM to provide new services or an improved level of service consistent with long-term municipal policies and plans. A request for funding towards a design competition for non-HRM assets does not appear to be congruent with the reserve's intent. The reserve does not fall under the Grants Committee's terms of reference. Therefore, any consideration of funding would have to be evaluated by the respective departmental staff.

Annual Budget Allocation: Regional Council could fund the project through a one-time increase in the 2011-2012 Operating budget. This option would set precedence and could provoke similar requests from other non-profit groups seeking preferential consideration for large-scale capital projects.

Building Communities Fund: Given that the design competition is directly related to a proposed capital project, individual councillors could provide a grant under their respective discretionary fund. However, eligibility is predicated on the capital project advancing and given the scale of the proposed budget (~\$70,000,000) it would be prudent to establish the probability of future provincial and federal capital commitments of the scale envisaged.

Future Capital Investment: In 2005, HRM engaged Ekistics Planning & Design to complete a Sackville Landing Redevelopment Plan. The timing of the plan was conducive to the neighbouring Queens Landing private development and encompassed the area between Lower Water Street and Sackville Wharf, Summit Place, and the provincial Maritime Museum of the Atlantic. The cost of implementation was estimated at ~\$2,100,000 (2005) but has not been operationalized. HRM's participation in a design competition could create an expectation of future capital funding from one or more of the project partners. Conceivably, if HRM were to proceed with all or a substantive portion of the Sackville Landing Redevelopment Plan these expenditures might constitute the municipality's capital contribution to complement the proposed Naval Memorial, the Maritime Museum of the Atlantic expansion, or related capital projects.

BUDGET IMPLICATIONS

None. This is an Information Report only.

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

None. HRM is in receipt of an unsolicited request.

ATTACHMENTS

1. Letter to Halifax Regional Municipal Council from Canadian Naval Memorial Trust, dated January 20, 2011.
2. Letter to Canadian Naval Memorial Trust from Dan English, CAO, dated February 11, 2010.
3. Letter to Mayor Peter Kelly from Canadian Naval Memorial Trust, dated November 19, 2010.
4. Letter to HMCS Sackville from Peta-Jane Temple, HRM Community Development, dated January 31, 2011, and reply from Canadian Naval Memorial Trust, dated February 3, 2011.

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by : Peta-Jane Temple, Team Lead Grants & Contributions, HRM Community Development 490-5469.

Original Signed

Report Approved by: Andrew Whittemore, Manager Community Relations & Cultural Affairs,
HRM Community Development.

Attachment 1



Patron
His Excellency the Right Honourable David Johnston
C.C., CMM, COM, CD
Governor General of Canada

Présidente d'honneur
Son Excellence le très honorable David Johnston
C.C., CMM, COM, CD
Gouverneur général du Canada

20 January, 2011

Members
Halifax Regional Municipal Council
PO Box 1749
Halifax, NS B3J 3A5

Dear Councillor Sloane,

Re: Canadian Naval Memorial Project Request for Support

As a follow up to the visit by Councillors to HMCS SACKVILLE last January and my recent meeting with Mayor Kelly, the following proposal is submitted for favorable consideration by members of Council.

Introduction

The volunteer Canadian Naval Memorial Trust owns, maintains and operates HMCS SACKVILLE which was designated Canada's Naval Memorial by the Government of Canada in 1985. Commissioned in 1941, SACKVILLE is the last of the 123 corvettes that served in the Royal Canadian Navy during the Second World War. She and the other corvettes played a crucial role in the Allies winning the Battle of the Atlantic. SACKVILLE serves as a memorial to the 2,000 sailors who were lost at sea during the war and honours the service and sacrifice of sailors of all generations.

HMCS SACKVILLE needs a permanent home on the Halifax waterfront. This will ensure future generations are aware of the valour and courage of those who helped ensure victory at sea and ultimately victory in Europe. While the primary responsibility for a Naval Memorial rests with the Government of Canada, the other levels of government-- including Halifax Regional Municipality-- have an important role to play in ensuring the long-term preservation of the 69 year-old SACKVILLE.

Current Situation

In 2005 the Armour Group Limited (AGL) proposed the Queen's Landing Project which involved a private component consisting of a hotel and office tower and a public component comprising an expanded Maritime Museum of the Atlantic (MMA) and a Naval Memorial Project encompassing HMCS SACKVILLE, the "Last Corvette." In the case of the ship, SACKVILLE's long term preservation was paramount in a setting that would give reverent display and remembrance of the 100,000 young men and women who served in the Royal Canadian Navy and especially the 2,000 who gave their lives.

Regrettably, the AGL proposal would not have provided the needed long term preservation of the ship nor accorded the ship the appropriate memorial reverence; it would have been primarily a commercial attraction. As a consequence, CNMT withdrew from the QLP as envisioned and entered into an agreement with the Province of Nova Scotia as represented by MMA and the Waterfront Development Corporation (WDC) to advance the public sector component of the QLP.

COPY

Jan 25/11 RC.

The Canadian Naval Memorial Project

The CNMT has taken the initiative in this agreement and has scoped out a concept plan for the public part of QLP. This would incorporate an enhanced MMA, Maritime Command Museum, a Naval Memorial Hall and HMCS SACKVILLE in an enclosed sea water berth. The latter is fundamental for the long term preservation of the ship.

There are two major components, the Naval Memorial and the Maritime Museum. It is envisioned that both components would be situated in an iconic structure, selected following a national design competition, and would be the major attraction of our waterfront and serve to represent Halifax as does the Sydney Opera House or the Guggenheim Museum in Bilbao.

It is worth noting that all of our planning is based on the permanent home of SACKVILLE being on the Halifax waterfront. There are historical reasons to locate her elsewhere, in St. John's, Newfoundland where she was based for much of her wartime service and Saint John, New Brunswick where she was built. The CNMT much prefers the Halifax location in the centre of the waterfront and co-located with the MMA.

Funding, Costs and Partners

Very preliminary cost estimates are \$80M for the Naval Memorial, including the enclosed sea water berth, and \$70M for the enlarged MMA.

The Naval Memorial is a national responsibility and we expect that the Federal Government will meet this responsibility. We also anticipate that there will be some cost sharing arrangement involving the three levels of government.

We are confident, based on a commissioned study, that some assistance from the corporate community can be expected. Three major defence contractors, located in the HRM, have agreed to work with us on fund raising.

Initial Steps

This initiative is being undertaken by the volunteer CNMT. A permanent project office needs to be established in 2011 as a first step to provide professional management of the project and to conduct a national design competition. From the responses received a short list will be prepared and advanced design concepts sought. Public participation is planned. At the end of 2012 the project would be ready for implementation in 2013.

Costs to the completion of the design competition and the selection of the design consultant would be about \$900,000. At present we are proposing a three way split between the Federal Government, the Provincial Government and the CNMT. The latter would include contributions from corporate sponsors, CNMT and HRM.

Concurrent activities based on final estimated costs would be directed to securing the funding for the project.

HRM Involvement and Benefits

To help advance the design process, we are proposing HRM provide a financial contribution of \$100,000 over two years. This support would:

- provide a rationale for HRM to be involved at the table in the design competition process;

- provide a clear signal to all concerned of HRM's interest in the completion of the public portion of the QLP; and
- provide a number of benefits in common to all major corporate donors: Membership in the CNMT, public acknowledgement of investment, complimentary use of the ship for Municipal events.

Business Case

War memorials are not established as profit centers. They are dedicated to the memory of those who served, and in many instances gave their lives, so that we may enjoy the freedom we have today. The "business case" as we understand it today has no place in the decision to honour our war dead.

This is especially true with regard to Halifax and the close and lengthy association with the Navy. If it is felt necessary to assess the monetary factor then consideration must be given to the enormous financial impact the Navy, including more than 5000 serving members and 2000 civilian employees, and supporting private contractors have on HRM. The investments contemplated for the Naval Memorial represent a modest contribution to the remembrance of the sacrifice of members of the Senior Service. This is especially appropriate in recognition of the Navy's 100th anniversary.

It is safe to say the Naval Memorial proposed will have a significant impact on tourism and become the major attraction on the waterfront. The Vimy Memorial attracts 750,000 visitors each year. Although this number might not be expected for the Naval Memorial a report commissioned by HRM in 2003 suggested 87,000 visitors per year to the Naval Memorial. That number could only have grown since the report noted that the Memorial would be in the prime location on the waterfront, the primary tourist centre of HRM.

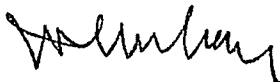
Conclusion

For a modest contribution now to the CNMT, HRM will

- Secure a place in the discussions leading to the design selection; and
- Achieve a high profile in the project and in the establishment of Canada's Naval Memorial.

We appreciate the opportunity to submit this proposal for Council's consideration and to provide any additional information as required.

Yours truly,



John Jay, CD, P.Eng
Chairman, Canadian Naval Memorial Trust



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Attachment 2

February 11, 2010

Canadian Naval Memorial Trust
HMCS Sackville
PO Box 99000, Station Forces
Halifax, NS B3K 5X5

ATTENTION: Hugh MacPherson


Dear Mr. MacPherson:

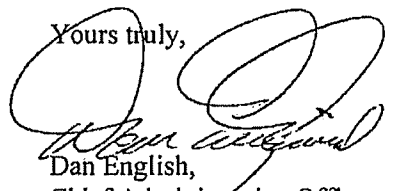
RE: Corporate Sponsorship Program

Your email to Mayor Kelly requesting a donation to the Canadian Naval Memorial Trust in the amount of \$50,000 has been forwarded to my attention.

I regret to advise that HRM does not have a formal donations program for fundraising initiatives and as such we are unable to participate in your Corporate Sponsorship Program. It is, however, my understanding that the Trust is a registered non-profit association whose goal is to maintain the HMCS Sackville and educate members of the general public of the significance of both the vessel and Canada's naval history. HRM's annual *Community Grants Program* may be able to provide some modest financial assistance on a project-specific basis. This program is merit-based and there is an annual Call for Applications in September. The application deadline is March 31st and I have taken the liberty of enclosing hard copies of the program guidebook and application form, which are also posted on the HRM web site (under the Grants Program link) or you could call program staff directly at 490-5469 for further details

In closing, HRM is very appreciative of the Navy's past and present role, not only in terms of military operations but also in the broader economic and social vitality of the region. We extend our sincere best wishes for a successful fundraising campaign and the forthcoming Centennial celebrations.

Yours truly,


Dan English,
Chief Administrative Officer

Encl.

Copy: Mayor Peter Kelly

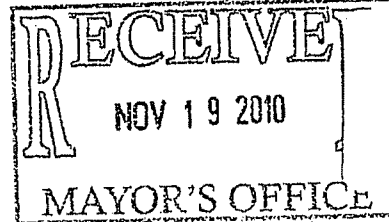
Andrew Whittemore, Manager, Community Relations & Cultural Affairs

✓ Peta-Jane Temple, Team Lead, Grants & Contributions

CHIEF ADMINISTRATIVE OFFICE
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November 19, 2010

His Worship Peter Kelly
Mayor
Halifax Regional Municipality
City Hall
Halifax, NS



Présidente d'honneur
Son Excellence la très honorable Michaëlle Jean
C.C., CMM, COM, CD
Gouverneure générale du Canada

Attachment 3

Your Worship,

Re: HMCS SACKVILLE, The Canadian Naval Memorial

Further to our meeting on November 15, 2010, we are pleased to set out the following for your consideration.

Introduction

In 2005 the Armour Group Limited (AGL) proposed the Queen's Landing Project (QLP) which involved a private component consisting of a hotel and office tower and a public component comprising an expanded Maritime Museum of the Atlantic (MMA) and a Naval Memorial Project encompassing HMCS SACKVILLE, the "last corvette" and Canada's Naval Memorial. In the case of the ship, its long term preservation was paramount in a setting giving reverent display and remembrance of the 100,000 young men and women who served in the Battle of the Atlantic and especially the 2,000 who gave their lives and whose only grave is the cold ocean that washes our shores.

Current Situation

The AGL proposal would not have provided the needed long term preservation of the ship nor accorded the Memorial aspect of the ship the appropriate reverence, rather it would have been a commercial attraction. As a consequence the Canadian Naval Memorial Trust (CNMT) withdrew from the QLP as envisioned and entered into an agreement with the Province of Nova Scotia as represented by the Maritime Museum of the Atlantic, and the Waterfront Development Corporation to advance the public sector component of the QLP.

The Canadian Navy Memorial Project

The CNMT has taken the initiative in this agreement and has scoped out a concept plan for the public portion. This would incorporate an enhanced MMA, the Maritime Command Museum, a Naval Memorial Hall and HMCS SACKVILLE in an enclosed sea water berth. The latter is fundamental for the long term preservation of the ship.

There are two major components, the Naval Memorial and the Maritime Museums.

It is envisioned that both would be situated in an iconic structure selected following a National design competition which would be the highlight of our waterfront and serve to represent Halifax as does the Sidney opera house or Guggenheim Museum in Bilbao.

It might be worth noting here that all of our planning is based on the permanent home of the ship being on the Halifax waterfront. There are historical reasons to locate her elsewhere; in St. John's where she was based for most of World War II and St. John, where she was built. The CNMT certainly prefers the Halifax location in the centre of the waterfront and co-located with the Nation's premier Maritime Museum.

Funding, Costs and Partners

Very preliminary estimates are \$80M for the Naval Memorial, including the enclosed berth, and \$70M for the enlarged MMA.

The Naval Memorial is a National responsibility and we expect that the Federal Government will meet this responsibility. There will undoubtedly be some cost sharing arrangement worked out between the Federal, Provincial and Municipal Governments concerning the MMA and infrastructure support.

We are confident, based on a commissioned study, that some Corporate assistance can be expected. Three major Defence contractors, located in the HRM, have agreed to work with us on fund raising.

Initial Steps

This initiative is being sponsored by the CNMT, all volunteers. A permanent project office needs to be established as a first step in 2011 to provide professional management of the project.

This office would be tasked principally to conduct a national design competition. From the responses received a short list will be prepared and advanced design concepts sought. Extensive public participation is planned. At the end of two years the project would be ready for implementation.

Costs to the completion of the design competition and the selection of the design consultant would be about \$900,000. At present we are proposing a three way split between the Federal Government, the Provincial Government and the CNMT. The latter would include contributions from corporate sponsors, municipalities and CNMT resources.

Concurrent activities based on estimated costs would be directed to securing the funding for the project.

Halifax Regional Municipality Involvement and Benefits

A financial contribution by HRM to the design process would.

- a. provide a rationale for the HRM to be involved at the table in the design competition process
- b. provide a clear signal to all concerned of HRM's interest in the completion of the public portion of the QLP.
- c. provide these benefits in common to all major corporate donors,
 1. Membership in the CNMT,
 2. Public acknowledgement of their investment,
 3. Complimentary use of the ship for Municipal events.

We suggest the sum of \$100,000 over a two year period.

Business Case

War Memorials are not established as profit centers. They are dedicated to the memory of those who served, and in many instances gave their lives, so that we may enjoy the freedom we have today. The "business case" as we understand it today has no place in the decision to honour our War Dead.

In the case of Halifax this is especially true with respect to the Navy. It could be argued, if one insisted on placing monetary considerations in the fore front, that, considering the enormous financial impact the Navy, and supporting private contractors, has on this area the investments contemplated here represent a very modest contribution to the remembrance of the sacrifice of Naval personnel. This might be especially appropriate in this the Navy's 100th Year.

However one can say that the Memorial proposed will have a definite impact on tourism and become the major attraction on the waterfront. The Memorial on Vimy Ridge draws 750,000 visitors each year. Although this number might not be expected in the present project a report commissioned by HRM (enclosed) in 2003 suggested 87,000 visitors per year to the Naval Memorial. That number could only have grown since the report noted that the Memorial would be in the prime location on the waterfront which is arguably the tourist centre of HRM.

Conclusion.

For a modest contribution now to the CNMT, as was discussed during the visit of Council to the ship on Tuesday, January 19, 2010 the Halifax Regional Municipality will ensure that:

- a. it has a secure place in the discussions leading to the design selection.
- b. it achieves a high profile in the project and in the establishment of Canada's Naval Memorial.

Thank you for meeting with us on November 15, 2010 and for inviting us to submit this proposal for Council's consideration.

Yours very truly
THE CANADIAN NAVAL MEMORIAL TRUST.

A handwritten signature in dark ink, appearing to read "John Jay", followed by a short horizontal line.

John Jay, CD, P.Eng
Chairman.



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

COPY

January 31, 2011

HMCS Sackville
PO Box 99000 Station Forces
Halifax NS B3K 5X5

Dear Mr. Jay:

Re: Request for \$100,000 Municipal Grant – Canadian Naval Memorial Project/Maritime Museum of the Atlantic

Your letter to Councillor Sloane dated January 20, 2011, has been referred to staff to prepare a report for Regional Council. I am writing to request further information. Specifically, could you provide the following to assist in our review:

1. The name and contact information for the provincial government staff representative and the Waterfront Development Corporation representative with whom the society has entered into an agreement re: the public sector component of the Queens Landing Project.
2. A copy of the study commissioned by the society (as cited on page 2) which appears to be a fundraising feasibility assessment.
3. The quote and project scope for the design competition and selection process that is estimated at ~\$900,000.

If I understand your proposal correctly, it is for this \$900,000 design competition that you are seeking HRM funding. The federal government has been asked to commit \$300,000, the provincial government \$300,000, and the Canadian Naval Monument Trust has committed \$300,000. Included in the trust's commitment is a request for \$100,000 from HRM.

4. Written confirmation from the federal and provincial funding sources of their \$300,000 contribution, or if un-confirmed a timeline as to when a decision is expected.
5. A copy of the Trust's most recent financial statement.
6. It would appear that the Trust is seeking a future capital commitment from HRM towards an "enhanced" Maritime Museum of the Atlantic which is estimated to cost \$70,000,000. What value of contribution does the project committee anticipate requesting from HRM? This information is required at this time because the project aspires to commence in fiscal year 2013.

I should note that HRM's capacity to assist non-profit organizations in a major capital projects is severely limited. First, the *HRM Community Facilities Partnership Fund* was designed to address such large-scale inter-agency projects but did not receive any funding in 2010. In light of projected budget deficits in both 2010 and 2011 any reinstatement of funding to the program will be a challenge. Therefore, if the Partnership Fund was the anticipated source of funding, Regional Council would need to consider reinstating this program in future years. As I am sure you can appreciate we have a number of local non-profit community groups who have major capital projects in development and competition for scarce resources will be intense.

As per the letter sent February 11, 2010, from Dan English, CAO, the *HRM Community Grants Program* has provided modest assistance towards consulting fees for major capital projects. However, these grants are not multi-year commitments and the value ranges from \$5,000 to \$25,000. The application deadline for the 2011-2012 program is March 31st, 2011. Further details of the program are posted on the HRM web site at www.halifax.ca.

Thank you in anticipation of your cooperation. Given the value of the grant requested, and the prospect of a future capital grant request, it is important that staff are able to present as much detail as is available at this time when forming a recommendation. If you have questions or concerns, please feel free to contact me at 490-5469.

Sincerely,

Peta-Jane Temple
Team Lead Grants & Contributions

CC: Councillor Dawn Sloane
HRM Grants Committee
Andrew Whittemore, Manager Community Relations & Cultural Affairs

COMMUNITY DEVELOPMENT

Tel: (902) 490-5469 Fax: (902) 4905950
E-mail: templep@halifax.ca Web Site: www.halifax.ca

CANADIAN NAVAL MEMORIAL TRUST

Briefing notes for Ms. Peta-Jane Temple
Team Lead Grants & Contributions
Community Development
Halifax Regional Municipality
February 3, 2011

INTRODUCTION.

Most of the 100,000 sailors who formed the Royal Canadian Navy in 1945 called Halifax home for all of a part of World War II; many of them served on corvettes similar to HMCS SACKVILLE. Today they have over 1 million descendants spread across this Nation, but many of them still in Nova Scotia. There is no suitable Memorial where these descendants can visit, learn and appreciate the conditions under which their fathers, and grand fathers lived and won the Battle of the Atlantic. There is no place for the families of the 2000 who died at sea in the Battle of the Atlantic to mourn.

In 1985 HMCS SACKVILLE was designated by the Government of Canada as Canada's Naval Memorial, but this designation was not accompanied by any financial support. The Memorial has been, and continues to be supported by the 1000 Trustees most of whom are Nova Scotians. This ship is to the Navy what the Vimy Memorial is to the Army, except that Vimy, as it should be, is fully supported by the Government.

The Canadian Naval Memorial Trust (CNMT) is not a non-profit HRM Community Organization as you suggest and its requests for funds should not be considered in the same way as support for Little League Ball or a community skating rink. It is a National Trust under the Patronage of the Governor General of Canada, established to preserve the last of our 123 World War II corvettes as a memorial to Canadians who won the Battle of the Atlantic that thereby allowed for victory in Europe. We were of the belief that the misconceptions of the former CAO in this regard had been put to rest in our recent discussions with the Mayor

The CNMT, for the reasons set out in the first paragraph, feel the Memorial should be on the Halifax Waterfront and that HRM should participate at this stage to show support from HRM for the project. The project will proceed with or without HRM support, in Halifax or elsewhere.

A number of the points you raise are not really relevant to the HRM decision to support the project or otherwise and show a lack of understanding of the scope and magnitude of the Trust and this undertaking. However, please consider the following in reply using the numbering in your recent letter.

1. Ms. Laura Lee Langley, Deputy Minister, Communities, Culture and Heritage, Province of Nova Scotia.
Mr. Bill Greenlaw, Executive Director Culture and Heritage, Province of Nova Scotia.
Mr. Colin MacLean, CEO Waterfront Development Corporation.
Mr. Peter Hogan, Vice President, Atlantic Canada Opportunities Agency.
2. Executive Summary attached. Project has since changed considerably in scope and implementation strategy.
3. Plans to hold a National Design Competition for the Canadian Naval Memorial and an expanded Maritime Museum of the Atlantic have progressed. The proposed activity schedule is as follows:
 1. Establish "all stakeholders" directorate. Senior representatives from each relevant Ministry or Department of participating levels of Government co-chaired by the CNMT and MMA. Start up 2011. (An initial meeting has been held.)
 2. Hire Project manager. 2011
 3. Set up office. 2011
 4. Undertake National Design competition. 2011
 5. Prepare short list of the five best concepts. 2011
 6. Prepare advanced design concepts. 2011
 7. Finalize discussions on governance and re-commissioning. 2011
 8. Engage the public in the process. 2011
 9. Judge the three advanced design concepts. 2012
 10. Select the preferred design consultant. 2012
 11. Commission design. 2012
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 12. Design refinements 2012

- 13.National Tender call 2013
- 14.Award contract 2013
- 15.Construction 2013 to 2016

* End of Design Competition

The proposed costs associated with the design competition over three fiscal years starting with 2010/2011 are as follows:

1. Hire Project manager. 2011/ 2012. \$200,000
2. Set up office. 2011/2012. 120,000
3. Undertake National Design competition. 2011. 40,000
4. Prepare short list of the three best concepts. 2011. 25,000
5. Prepare advanced design concepts. 2011. 375,000
6. Finalize discussions on governance and re-commissioning. 2011. 20,000
7. Engage the public in the process. 2011/2012. 50,000
8. Judge the three advanced design concepts. 2011/2012. 30,000
9. Select the preferred design consultant. 2012. 20,000
10. Commission design. 2012. 20,000

TOTAL \$ 900,000.

The proposed cost sharing for this activity is:

Canadian Naval Memorial Trust	\$ 300,000
Province of Nova Scotia	\$ 300,000
Government of Canada	\$ 300,000.

4. Positive decisions expected this month.
5. Audited statements for FYE December 31, 2009 attached. FYE 2010 in preparation.
6. The CNMT is not seeking to raise any funds for the MMA from HRM or anyone else.

Additional:

With a start-up in the current fiscal year the funding can be spread over three fiscal years.

The Trust has approached its various corporate Trustees for its funds and is confident of the outcome. A committee of substantial defence contractors is in place to crystallize the private sector response. The Board has agreed to use the revenues of the Trust to allow it to meet its commitment if and as required.

Meetings have been held with the Premier and a presentation made to him seeking the Provincial Government portion. He has referred the matter to the newly created Ministry of Communities, Culture and Heritage for action. We have been advised of their positive recommendation and commitment to the project.

A submission has been made to the Government of Canada through ACOA for the balance and a response, which we believe will be favourable, on the initial request is expected at any time.

A briefing was given to twelve senior Federal Officials from DND, ACOA, Heritage Canada and DVA in November 2010. For the concept the response was positive, the main concern the eventual project funding however the concept for the design competition, as a necessary prelude to a formal proposal to Government, received enthusiastic support.

Information packages are being prepared for all decision makers at the Municipal, Provincial and Federal levels. The first packages were sent to HRM Councillors last week. Many of our Members of Parliament, Cabinet Ministers and Senators have been briefed in person. This background information is a first step in a public awareness campaign that will ultimately include press and media coverage as a means of making the public aware of the Canadian Naval Memorial Trust and its activities.

SUMMARY

The advantages of HRM participation are numerous and include:

- An expanded MMA, integrated with a National Naval Memorial linking civilian and naval histories,
- A major tourism generator and attraction on the Halifax Waterfront,

- An opportunity to participate in the National design selection process of an iconic architectural structure for the Halifax waterfront.

To not participate at the relatively modest level of \$ 100,000 will be an indication to the Navy, by far metro's largest employer, and the Naval Veterans of the area that HRM does not want to participate in the National design process and that it is indifferent to the location of Canada's Naval Memorial.

We strongly believe that it is important that the citizens of Halifax be represented in the design process. This was the motivating consideration in our invitation to the Council to join us.

John Jay, CD.,P.Eng.
Chairman
Canadian Naval Memorial Trust.