

Item No. 11.4.1
Halifax Regional Council
March 20, 2012

TO: Mayor Kelly and Members of Halifax Regional Council

Original signed

SUBMITTED BY:

Councillor Barry Dalrymple, Chair, Grants Committee

DATE: March 6, 2012

SUBJECT: Canadian Naval Memorial Trust - Funding Request

ORIGIN

The January 9, 2012 staff report and March 5, 2012 Grants Committee meeting.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve a one time capital grant of \$50,000 from account M311-8004 Community Grant Program to the Canadian Naval Memorial Trust, conditional upon future payment schedule subject to additional information requested by the Grants Committee, towards professional fees for an international design competition in relation to the proposed Naval Memorial Hall in accordance with the terms and conditions defined in the Discussion section of the January 9, 2012 report; and,
2. Approve assignment of an HRM representative to serve on the Design Competition Committee.

BACKGROUND

As per the January 9, 2012 staff report attached as Attachment 1.

DISCUSSION

The Grants Committee discussed the January 9, 2012 staff report at their March 5, 2012 meeting and requested that staff obtain the following additional information from the applicant as condition for the approval of the proposed one time \$50,000 capital grant:

1. Staff were requested to include a threshold amount to be obtained for the design competition expected cost of \$750,000 prior to HRM releasing the funds. The applicant is to provide information on whether or not the project would proceed, be modified or terminated if less than \$750,000 is raised by a specific time. The most recent figures available to staff show 46% funding confirmed for the Design Competition Project.
2. Clarification that HRM funds are to be used for the design competition itself and not for general office administration;
3. Reassurance of the probability of the applicant raising future capital funding and the timeline for that funding goal to be met.

The Grants Committee then passed the motion recommending a one time capital grant of \$50,000 conditional upon the above noted requests.

BUDGET IMPLICATIONS

As per the January 9, 2012 staff report attached as Attachment 1.

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

The Grants Committee is comprised of six citizens at large and six elected officials representing the six HRM Community Councils. The matter was discussed at a Grants Committee meeting open to the public.

ALTERNATIVES

1. Halifax Regional Council may choose not to approve the one time \$50,000 capital grant to the Canadian Naval Memorial Trust towards professional fees for an international design competition in relation to the proposed Naval Memorial Hall in accordance with

the terms and conditions defined in the Discussion section of the January 9, 2012 report; and, may choose not to approve the assignment of an HRM representative to serve on the design competition committee. This is not the recommended option.

ATTACHMENTS

1. January 9, 2012 staff report.

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
March 5, 2012**

TO: Chair and Members of HRM Grants Committee

Original signed

SUBMITTED BY:

Brad Anguish, Director, Community & Recreation Services

DATE: January 9, 2012

SUBJECT: Canadian Naval Memorial Trust – Funding Request

ORIGIN

January 25, 2011 – Regional Council requested a staff report regarding HRM's ability to grant funding to the Canadian Naval Memorial Trust for a design competition in relation to a proposed permanent installation to preserve HMCS Sackville, Canada's national naval memorial, and the proposed expansion of the Maritime Museum of the Atlantic. An Information Report was tabled at the Regional Council meeting of April 19, 2011.

July 11, 2011 – HRM Grants Committee requested a staff report with recommendations regarding a grant request from the Canadian Naval Memorial Trust in the amount of \$100,000 towards a design competition for a proposed Naval Memorial Hall.

RECOMMENDATION

It is recommended that the HRM Grants Committee recommend that Halifax Regional Council approve:

1. A capital grant of \$50,000 from account M311-8004 *Community Grants Program* to the Canadian Naval Memorial Trust towards professional fees for an international design competition in relation to the proposed Naval Memorial Hall I accordance with the terms and conditions defined in the Discussion section of this report; and
2. Approve assignment of an HRM representative to serve on the design competition committee.

BACKGROUND

The Canadian Naval Memorial Trust (the Trust) has requested a grant towards an international design competition to preserve and interpret HMCS Sackville, Canada's national naval memorial. The design competition is expected to cost a total of \$750,000, of which approximately half of the funding has been raised to date from other levels of government and private donations. The project is expected to include an enclosed seawater berth and adjacent interpretation pavilion (Naval Memorial Hall). Naval Memorial Hall is to include dedications to those who lost their lives in the service of the Canadian Navy, commemorative and ceremonial events, and historical information. The capital cost estimates for the Canadian Naval Heritage Centre and HMCS Sackville/Naval Memorial Hall are in the \$16,000,000-\$25,000,000 range. Additional background documentation is provided in **Attachment 1** of this report.

DISCUSSION

Canadian Naval Memorial Trust Request:

In January, 2011, the Canadian Naval Memorial Trust requested a grant in the amount of \$100,000 paid over two years towards an international design competition for a permanent seawater berth for HMCS Sackville and an interpretive structure (Naval Memorial Hall).

In a letter to HRM dated July 14, 2011, the Canadian Naval Memorial Trust amended their previous request to a cash grant of \$50,000 and the provision of HRM-owned office space in the Halifax Ferry Terminal Building for a period of three (3) years. As well, an HRM representative has been requested to serve on the design competition committee.

Request for Office Space:

HRM reviewed the request for the use of the Halifax Ferry Terminal building but it was determined that the Halifax Ferry Terminal is required for municipal operations. Therefore, the Trust has secured alternate space in the private market.

Funding Recommendation:

Staff recommend that the Grants Committee recommend that Regional Council approve a capital grant of \$50,000 from account M311-8004 *Community Grants Program* to the Canadian Naval Memorial Trust towards professional fees for an international design competition in relation to the proposed Naval Memorial Hall I accordance with the terms and conditions. In accordance with the *Community Grants Program (M311-8004)* funding criteria, salaries and wages, recurring core operating costs, and fundraising are ineligible. Therefore, eligible expenses are limited to those expenses directly related to the design competition such as the professional fees and marketing expense directly related to the competition. A capital grant of \$50,000 exceeds the program's funding threshold of up to \$25,000, however as the threshold is a guideline, Regional Council can approve a grant which exceeds the funding threshold.

The following HRM strategies provide rationale for HRM consideration of funding towards this project:

HRM Regional Plan: Halifax Harbour plays an important role as an international gateway and a major contributor to the local economy. The Harbour is also a key feature in defining the region's culture and is an important environmental ecosystem. Preserving the historic and cultural features of HRM's marine heritage is an important aspect of the Halifax Harbour Planning Initiative, a component of the HRM Regional Plan.

Downtown Halifax Secondary Planning Strategy: Maintaining a distinctive downtown by preserving and reinforcing elements that impart a sense of history, culture and a unique natural setting is one of the strategy's guiding principles. The vision for the waterfront is a regional hub for commerce, culture and tourism.

HRM Cultural Plan: The plan seeks support for investment in the region's culture for the long-term social and economic benefits and states that HRM will work with multi-sector partners in funding cultural development. The proposed development of an iconic attraction located on the Halifax Waterfront with the potential to realize a synergistic partnership with the Maritime Museum of the Atlantic represents a strategic opportunity for HRM to enhance an existing cultural destination and expanded educational opportunities.

Request for Design Competition Committee Representation:

An HRM representative has been requested to serve on the design competition committee. The staff member's role is to provide technical expertise to the project in relation to the HRM Cultural Plan, the HRM Regional Plan and its derivative *HRMbyDesign*, the HRM 2011-2016 Economic Development Strategy: A Greater Halifax, and liaison with other departmental staff as required. The time expectation is approximately 1-2 days per month to ensure that the project is following the above noted HRM strategies.

The proposed terms and conditions of funding are:

- A capital grant of \$50,000 under the 2011-2012 *HRM Community Grants Program*, account M311-8004, to the Canadian Naval Memorial Trust towards professional fees for an international design competition for the proposed Naval Memorial Hall.
- The Canadian Naval Memorial Trust shall disclose any additional HRM assistance, financial or otherwise, solicited from a municipal source. Such assistance may include but is not limited to a cash donation, grant, or in-kind goods or services.
- Should the international design competition as described in the proponent's submission not proceed in by 2014/15, HRM reserves the right to request a refund of the grant, in full, and suspend further consideration pending confirmation of the balance of funding and a revised project timeline.

BUDGET IMPLICATIONS

The cost of the grant described in this report can be accommodated within the approved 2011-2012 operating budget for HRM's Community Grants Program in M311-8005.

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

Representatives from the Canadian Naval Memorial Trust made a presentation to the July 11, 2011, meeting of the Grants Committee.

ALTERNATIVES

1. The Grants Committee could approve funding in the amount of \$25,000 which is the maximum as outlined in the Grants Program Funding guidelines. This is not recommended as Regional Council can consider funding amounts in excess of the guidelines (ie \$50,000 requested by the Trust) as outlined in the report.
2. The Grants Committee could recommend the original \$100,000 request in the 2011-2012 fiscal year. This action is not recommended. Staff would need to research options for the additional funds as there are insufficient funds remaining in the 2011/12 budget for the Grants Program.
3. The Grants Committee could amend the terms and conditions on funding.

ATTACHMENTS

1. Additional Project Information

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, Community & Recreation Services, 490-5469

Original signed

Report Approved by: Denise Schofield, Manager, Culture, Events & Community Partnerships, 490-6252

Original signed

Financial Approval by:

Greg Keefe, CMA – A/Director of Finance and Information Technology/CFO 490-6308

Attachment 1

Additional Project Information

In support of their request, the Canadian Naval Memorial Trust has provided additional background documentation. The following is a synopsis:

- The Preservation of HMCS Sackville study undertook an evaluation of the options for preservation of the ship in a permanent site. The consultants concluded that a permanent enclosed docking berth with weather-proof shelter (Naval Memorial Hall) was considered the most appropriate option and this has been advanced as part of the proposed design competition.
- The Strategic Plan for the Canadian Naval Heritage Foundation (2003) study was commissioned by the Foundation which was established in 2001 to lead a naval heritage initiative. Members of the Foundation include the Nova Scotia Department of Tourism & Culture (Maritime Museum of the Atlantic), Canadian Navy, Canadian Naval Memorial Trust, Waterfront Development Corporation, ACOA, and private sector sponsors. HRM is also referenced as a member of the Foundation.

The report provides an overview of comparable facilities in Canada and internationally and very preliminary development costs. The capital cost estimates for the Canadian Naval Heritage Centre and HMCS Sackville/Naval Memorial Hall are in the \$16,000,000-\$25,000,000 range. It should be noted that these costs may be revised based on the final design. Expansion of Maritime Museum of the Atlantic (proposed Canadian Naval Heritage Museum) and Nova Scotia Experience Centre have been excluded because they are considered primarily as provincial undertakings.

- The HMCS Sackville Plan (2011) is a discussion paper that presents ideas in relation to interpretation, commemoration, retail services/revenue generation, and educational programming. The plan does not contain a financial analysis.

Funding Partners To Date

The following funding partners have been confirmed to date:

• Provincial Government	\$150,000
• Canadian Naval Memorial Trust	\$100,000
• ACOA	\$ 60,000
• Private sector	<u>\$ 35,000</u>
• Total	\$345,000