


Item No. 11.1.6
Halifax Regional Council
September 10, 2013

TO: Mayor Savage and Members of Regional Council

Original signed by 

SUBMITTED BY: _____
Richard Butts, Chief Administrative Officer

Original Signed

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: August 20, 2013

SUBJECT: **Canadian Naval Memorial Trust – Funding Request for Design Competition**

ORIGIN

June 25, 2013 – Motion passed at Regional Council requesting a staff report outlining options to support the request for \$50,000 in funding to the Canadian Naval Memorial Trust to further advance the design concept for the “Battle of the Atlantic Place.”

LEGISLATIVE AUTHORITY

HRM Charter Section 79(1)(av) respecting grants and contributions.

RECOMMENDATION

It is recommended that Regional Council refer the Canadian Naval Memorial Trust request for \$50,000 to the HRM Grants Committee for consideration of the proposal with funding coming from the 2012-13 surplus.

BACKGROUND

The Canadian Naval Memorial Trust (CNMT) has entered into an agreement with the Province of Nova Scotia (Maritime Museum of the Atlantic) and the Waterfront Development Corporation, a Crown corporation, to advance the development of a “Naval Memorial Hall” and the protection of HMCS Sackville in an enclosed seawater berth at Sackville Landing as described in their letter to HRM dated November 19, 2010.¹

In March, 2012, Regional Council approved a grant in the amount of \$50,000 from the *Community Grants Program* (M311-8004) towards professional fees and marketing. Further details of funding are included in **Attachment 1**.

In December, 2012, the Trust requested an additional \$50,000 to increase total municipal funding to \$100,000 as detailed in **Attachment 2**.

Further to the June 25, 2013, motion of Regional Council this report identifies funding options with respect to an additional \$50,000 grant (for a total of \$100,000) and makes a recommendation regarding a potential source of funds and decision-making process. If the motion to refer the request to the HRM Grants Committee is approved it is anticipated that additional financial information would be requested from the Trust.

DISCUSSION

Currently, there is no program through which this project can be funded at this time. Staff have considered a number of options including:

1. Municipal Funding Options

- a. Community Grants Program:** The *Community Grants Program* is designed to fund volunteer and non-profit initiatives of modest scale across a broad spectrum of programs and services. Because funding is available to a range of interests the program is heavily subscribed and maximum funding thresholds are applied to both project (up to \$5,000) and capital grants (up to \$25,000).

Consulting fees in relation to proposed capital projects have been awarded but typically the value falls within the established funding threshold (\$5,000). Typically, awards higher than \$5,000 represent either a collaborative submission from more than one non-profit group or the combined value of grants awarded to distinct phases of a project over successive years. The program does not provide multi-year funding but applicants have the option of making annual application.

The *Community Grants Program* is not designed to funded inter-governmental projects of this scale.

¹ Report to HRM Grants Committee, “Canadian Memorial Trust – Funding Request for Design Competition: Naval Memorial/Maritime Museum of the Atlantic”, April 4, 2011, and Grants Committee report to Regional Council, “Canadian Naval Memorial Trust – Funding Request”, March 20, 2012.

- b. Community Facilities Partnership Reserve (Q138):** As per the reserve business case, the reserve was created to provide funding to community non-profit and public institutions in support of major capital initiatives undertaken as part of a formal partnership agreement.

While the naval memorial project fits the reserve's criteria and eligibility, the reserve business case requires that all requests for funding from this reserve must be initiated by the inter-disciplinary review team and the HRM Grants Committee as set out in the HRM Community Facility Partnership Fund Policy. The Fund's activities were suspended in 2011.

- c. Cultural Development Reserve (Q312):** The reserve business case states that the reserve "will direct funds based on the principles and objectives of the Cultural Plan and Operating Strategy" and that the reserve "will be used to develop and enhance culture and heritage sites within HRM which support HRM's goals and responsibilities".

The naval memorial project fits the reserve's criteria.

Given that HRM has several municipally-owned arts/heritage facilities in need of re-capitalization demand upon the reserve is likely to be significant in the short to mid-term. Currently the reserve has a balance that could be used for this purpose.

The reserve business case requires that "all requests for funding from the reserve must be initiated by Community Relations and Cultural Affairs and confirmed by Financial Services prior to going to Council for authorization".

- d. Annual Budget Allocation:** Regional Council could instruct staff to provide funding through the operating budget. This would require staff to offset these costs through operating savings. The most immediate way to achieve this would be to fund the request through the remaining \$3.3m surplus from 2012-2013.
- e. District Capital Funds:** Individual councilors could provide a grant from their respective district capital funds.

2. Equitable Access to Opportunity

This grant request has not followed the normal grant application process and to fund the request could be challenged by eligible applicants who followed the protocols of a specific program.

Notwithstanding that it is Regional Council's prerogative to suspend policy, consideration of a funding request outside the annual budget process or an established funding program or source could encourage similar requests from groups seeking preferential consideration. In the absence of an open call for submissions, the Municipality may deny other qualified non-profit organizations from equitable access to

opportunity. Consequently, the risk to the municipal government is reputational, not financial.

FINANCIAL IMPLICATIONS

No implications at this time. However, if the Grants Committee agrees with the approach of funding this request, then Council will be reducing the 2012-13 surplus of \$3.3 million by \$50,000. This would be done through a subsequent report to the Audit & Finance Standing Committee.

COMMUNITY ENGAGEMENT

Not applicable: this is an unsolicited request for funding.

ENVIRONMENTAL IMPLICATIONS

None. The project is in the conceptual/planning stage.

ALTERNATIVES

Council could select one of the other funding options presented in the report.

ATTACHMENTS

1. Municipal Funding to Canadian Naval Memorial Trust.
2. Letter to Mayor Mike Savage from the Canadian Naval Memorial Trust dated December 6, 2012.

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: Peta-Jane Temple, Team Lead Grants & Contributions, Finance 490-5469

Report Approved by: _____
Bruce Fisher, Manager, Financial Policy & Planning, 490-4493

Greg Keefe, Director of Finance & ICT/CFO, 490-6308

Municipal Funding to Canadian Naval Memorial Trust

In November, 2010, the Canadian Naval Memorial Trust submitted a request to Mayor Peter Kelly for \$100,000 towards a design competition for a naval memorial project. In January, 2011, Regional Council requested a staff report regarding HRM's ability to grant funding to the Trust 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. The Trust was subsequently referred to the *Community Grants Program*.

In 2012, Regional Council approved a grant of \$50,000 from the *Community Grants Program* (M311-8004) towards professional fees for an international design competition in relation to a proposed "Naval Memorial Hall". In accordance with the program's funding criteria, eligible expenses were limited to "professional fees and marketing expenses directly related to the competition".² The terms and conditions of funding included disclosure of any additional financial or in-kind municipal assistance and should the competition not proceed by 2014-15 HRM reserved the right to request a refund of the grant, in full, and to suspend further consideration pending confirmation of the balance of funding and a revised project timeline. HRM also assigned a representative to serve on the design competition jury as requested by the Trust. The initial project scope has since been amended to exclude expansion of the Maritime Museum of the Atlantic and the Maritime Command Museum (Stadacona). The project scope is now focused on the seawater berth and interpretation: the new project working title is the "Battle of the Atlantic Place".

CNMT's initial request was for \$100,000 towards an international design competition estimated to cost a total of \$900,000. The funding allocation was envisaged to be \$300,000 from the federal and provincial governments and \$300,000 from the Trust of which \$100,000 was to be from HRM. If funds are fully realized as projected, the design competition would be 78% government funded with 22% from the Trust.

In April, 2013, the CNMT submitted an interim report to the *Community Grants Program* highlights of which include:

- April 2012 – Catalyst Engineering Consultants retained to manage the architectural design competition.
- January 2013 – Request for Proposals issued.
- March, 2013 - Ten (10) proposals from consortia received. Jury selected five (5) finalists who were to present their designs to the selection jury in June, 2013. The winner is expected to produce a complete concept design and costing by November, 2013.³

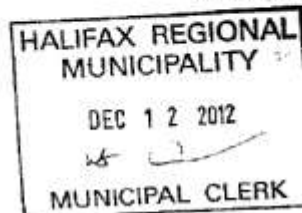
² Report to HRM Grants Committee, "Canadian Naval Memorial Trust- Funding Request", March 5, 2012.

³ Letter to HRM Grants Program from Canadian Naval Memorial Trust dated April 2, 2013.



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



His Worship Mayor Mike Savage,
Halifax Regional Municipality,
Halifax, N.S.,
B3J 3A5

December 6, 2012.

Your Worship,

Thank you for meeting with members of the Trust on 22 November, 2012. We were very pleased to present to you, and Councilors Watts and Outhit, our vision for the future of HMCS Sackville on the Halifax waterfront.

I hope you and your council colleagues came away from our presentation with the same sense of excitement we have for what "Battle of Atlantic Place" will mean for Canada, Nova Scotia and the Halifax Regional Municipality.

As was mentioned, we are just putting the finishing touches on the engineering studies which will comprise the Project Brief, the guidance document for prospective architects. We expect to issue the Request for Proposals (RFP) at a public event, early in 2013. The design concept is planned for completion nine months after the RFP is issued.

This public launch of the project will be the first event of a process, which when complete, will give a valuable lift, across Canada, to the image of our city and will lead to an architectural structure that will be defining. We will advise you as soon as the launch date is fixed in the expectation you will be able to attend.

To complete this concept will cost just over \$900,000. The \$50,000 financial contribution by HRM to date has been a great help in the early stages of the Project and is much appreciated. At our meeting we outlined the rationale behind our original request for \$100,000 contained in our letter to Mayor Kelly in November, 2010. It is our hope that Council will see fit to provide the remaining \$50,000 as we embark upon funding the remaining architectural studies that will produce the design concept.

Sent to [unclear]

It is our understanding that public events are being planned to celebrate victory in the Battle of the Atlantic this Spring. May we suggest this would be a fitting time for the City to proclaim its support for "Battle of Atlantic Place".

In past years it had become the custom for the Council to take lunch on board Sackville following a Council Meeting. We hope that this welcome event can be continued and we look forward to meeting all of the Councilors at that time. We will contact you in the New Year to make the arrangements.

Sincerely,

Original signed

Hugh Macpherson, CD, P.Eng.,
The Canadian Naval Memorial Trust.

Cc Councilors Outhit and Watts

MUNICIPAL CLERKS OFFICE	
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<input checked="" type="checkbox"/> Councillors Meeting	<u>Regional Council</u>
<input checked="" type="checkbox"/> Mayor	
<input checked="" type="checkbox"/> CAO	Date: <u>July 3rd, 2012</u>
<input checked="" type="checkbox"/> DCAO	
<input checked="" type="checkbox"/> Solicitor	Item No. <u>10.3.4</u>
<input checked="" type="checkbox"/> Communications	
<input checked="" type="checkbox"/> Other	<u>Quentin Hill; Brad Anguish; S. Mackenzie; Bryant; Peter Greenham</u>