

# Planning for a *NEW* World Trade and Convention Centre *WTCC*

***Halifax Regional Municipality  
Committee of the Whole  
November 9th, 2010***

# Introduction

# Committee of the Whole

## October 19<sup>th</sup>, 2010

- \* Information on:

- \* Urban Core Policies,
- \* Development Approval Process,
- \* Technical Aspects,
- \* Need for a new Convention Centre

- \* Motion:

- \* *Halifax Regional Council request that staff complete the analysis of the Provincial ask relative to the proposed convention centre dated October 15, 2010, and return to Council on November 9, 2010 with possible options and recommendations to secure Council direction on the project and a strong approach on behalf of our citizens for negotiation with the Province of Nova Scotia and further that our Municipal Auditor General be part of the process.*

# Committee of the Whole

## November 9, 2010

- \* **Outline:**

- \* Introduction
- \* Background
- \* Summary of the Proposal
- \* Key Aspects under Review
- \* Current Economic Analysis
- \* Current Financial Analysis

- \* **In-Camera**

- \* Recommendations and direction to staff



# Background

# History of Municipal Participation

- Existing Metro Centre & WTCC Part Of 2-phase Downtown Redevelopment In Late 1970's – Early 1980's:
  - Federal Government Participation Was Limited To WTCC
  - Province And City Responsible For Phase 1 – Metro Centre
  - MC Completed Before Agreement Could Be Reached On WTCC
  - In 1976 City Of Halifax Becomes Responsible For Ownership, Operation & Management – MC Commission
  - Tripartite Financing Agreement On WTCC Reached March, 1981
  - May, 1982 Agreement Between City, Province And Newly-established TCL Transfers MC Management & Ops To TCL

# Municipal Participation in Funding

## Metro Centre:

- \* Province Assumed Majority Of Capital Costs For Metro Centre
- \* City Contribution Was \$3 M (\$2.55 M Cash, Remainder In Land)
- \* City Raised Its Share Through Land Sales (Fair Grounds)
- \* City Accepted Responsibility For MC Operating Deficit
- \* Prior To 1996, MC Operated In A Deficit Position, But Now Operates In A Surplus Position

## Convention Centre:

- Total Cost Of \$40 M
- \* Federal Contribution Capped at \$2.75 M
- \* City Contribution Was \$1.5 M & Contribution Of An Annual Operating Subsidy Pegged To CPI (Currently About \$600 K)
- \* City's \$1.5 M = Closed Segments of Grafton & Market Streets

# Municipal Participation in Funding

## Office Tower:

- \* City Was Not Required To Make Capital Or Operating Contributions To WTCC Office Tower
- \* HRM Currently Receives Property Tax Revenue From it Equivalent To \$600 K Operating Subsidy
- \* Office Tower Rents Fund TCL Operations, Generating \$2.3 M In Revenue in 2009

## CONVENTION CENTRES – THE CANADIAN LANDSCAPE

FACILITY, CITY, (YEAR OPENED)	TOTAL AREA (Sq.ft.)	OWNERSHIP & INITIAL COST	GOVERNANCE	RECENT/PLANNED EXPANSION & COST	MUNICIPAL FUNDING
Direct Energy Centre, Toronto, Ont. (1907) **	1,000,000	<b>Municipal</b> (Cost Unknown)	Board of Governors (Exhibition Place)	Various expansions, mostly underground	Total '10 budget of \$63 M cost
Vancouver Convention & Exhibition Centre, Vancouver, B.C. ('87 & '09)	474,000	<b>Provincial</b> (Cost unknown)	Crown Corporation	Recent 333,500 sq. ft. expansion (\$883 M)**	No funding from City
Metro Toronto Convention Centre, Toronto, Ont. (1984)	403,648	<b>Provincial</b> (Cost Unknown)	Crown Corp	Expansion, complete, 1997**	N/A
Palais des Congres Montreal, P.Q. (1983)	330,782	<b>Provincial</b> (Cost Unknown)	Provincial Corp.	N/A	N/A
Centre des Congres Quebec, P.Q. (1996)	169,500	<b>Provincial</b> (\$115 M)	Provincial Corp.	N/A	N/A
Ottawa Congress Centre, Ottawa, Ont. (1985)	192,000	<b>Provincial</b> (Cost Unknown)	Crown Corp. (Formerly City)	New build for 192,000 sq.ft. facility opening Apr. 2011	1/3 of \$160 M Capital
Winnipeg Convention Centre, Winnipeg, Man. (1975)	160,000	<b>Municipal</b> (Cost unknown)	Municipal Corp.	Study underway (expansion funded via 40% of levy)	Op. Grant (\$509,605 for '10)
Shaw Centre, Edmonton, Alta. (1983)**	142,700	<b>Municipal</b> (Cost unknown)	Municipal Corp.	N/A	Op. Grant (\$2.73 M for '09)
Telus Convention Centre, Calgary, Alta. (1967)	94,500	<b>Municipal</b> (Cost unknown)	Municipal Corp	Planning 300,000 sq. ft. expansion on a new site	Op. grant (\$1.63 M for '09)
Victoria Conference Centre Victoria, B.C. (1989, 2008)	73,000	<b>Municipal</b> (Cost unknown)	City Business Unit	2009 Expansion of 25,000 sq.ft. (\$8 M)	50% of \$8 M New Build (\$541,234 on Opps '09)
Whistler Conference Centre, Whistler, B.C. (N/A)	65,000	<b>Municipal</b> (Cost unknown)	Tourism Whistler	Recent \$9 M upgrade	Nil for upgrade, grant to Ops. via levy
Hamilton Convention Centre, Hamilton, Ont. (1981)	53,814	<b>Municipal</b> (Cost unknown)	Municipal Corp.	N/A	N/A
World Trade & Convention Centre, Halifax, N.S. (1984)	47,397	<b>Provincial</b> (\$40 M)	Crown Corp.	Proposed Expansion (130,000 sq. ft.) sq.ft**	Op. Grant tied to CPI (\$577,000 in '09)

\*\* Denotes Underground Facilities

# Summary of Comparative Analysis

- \* No One-Size-Fits-All Approach – Varied Ownership/Operation & Governance Models
- \* 1<sup>st</sup> Generation Facilities Funded Primarily by Senior Governments To Stimulate Regional Economic Development & Tourism
- \* Most Large Facilities (Van, Tor, Mtl, Que.) Owned/Operated by Provinces
- \* City Support Typically Through Providing Land And Operating Grants
- \* Municipalities Taking More Active Roles, Often Transferring Operations & Management To Community Corporations
- \* Best Practice Trending to:
  - \* Bundling With Other Areas Of Interest Re: Events, Tourism, Marketing & Economic Development
  - \* Use of Alternative Revenue Sources, e.g. Hotel Levies, Naming Rights, Land Sales, Office Leases, etc for Operating Costs and Capital Reserves

# Why Are Governments In This Business?

- \* **Facilities Are Not “Money Makers”- Otherwise They Would Be Private**

- \* They Generate Incremental Economic Benefits via Revenues From Visitors Which Supports Other Government Programs
- \* Most Economic Benefits Flow to Government in Income, Sales Taxes
- \* Effective & Low Cost Compared to Other ED Programs Funded by PNS & GoC
- \* Facilities Are An Integral Part of Municipal Strategies for Visitor & Business Attraction, Economic Growth

- \* **They Integrate Well With Community and Strategic Priorities**

- \* Opportunity for Resident Academic, Professional And Business Community To Connect Beyond The Immediate Community
- \* Capacity to Host Exhibitions Adds, Concurrent Events Adds to the Offering
- \* A Means to Attract External Investment, Global Opportunities via B2B Interaction

- \* **Function of Current Facility Can Be Met the Private Sector**

- \* Subsidized Current Facility Competes With Local Hotels & Other Venues

# Summary of the Proposal

# Overview of Bid

## Capital Costs

Engineering and Design	\$21
Construction Costs	119
Interim Financing (estimates)	<u>19</u>
<b>Total</b>	<b>\$159</b>

Paid for  
through  
“Annual  
Rent  
Payment”

## Operating Costs

Facility Upgrade	\$1.2
Operations and Maintenance	<u>\$1.7</u>
<b>Total</b>	<b>\$2.9</b>

# Breakdown of Annual Costs

**Annual Rent Payment** **10,234,000**

**Operating Costs of Building** **2,901,000**

**Convention Centre Costs:**

Revenues less Costs (2,776,000)

Allocated Costs 1,650,000

Insurance, Energy, Property Tax 1,280,000

**Sub-Total** **154,000**

**Total Annual Payment** **13,289,000**

At 50%  
HRM's  
Share is  
\$6.6M

# Key Aspects Under Review

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## Outline of Ongoing Due Diligence

- \* Existing WTCC Building
- \* Lease vs Own Options
- \* Financing Options

# Existing WTCC Building

## *What we know.....*

- \* Built in 1984
- \* Convention Center 165,000 gross square feet, Office Tower 125,000 rentable square feet
- \* Over 80% of the office tower is leased by Provincial departments and public agencies
- \* *Primary Options:* retain for public office uses either by the Province and/or HRM or sell asset for repositioning and development by private sector
- \* Province are seeking a recommendation with respect to the facility's disposition concurrent with the funding negotiations for the new center.
- \* **HRM ownership is not a condition of current proposal**

# Existing WTCC Building

## More Analysis Required

- \* Indicative market value “as is” \$12M-\$17M
- \* Significant investment required
- \* 2010 Provincial Assessment/Study: cost to convert existing convention space to office \$10,600,000 to create <100,000 square feet of “Class B” space
- \* Fully converted WTCC I would provide +/-225,000 sqft of Class B office space
- \* Direct HRM office requirement in Halifax downtown is 40,000 sqft. Currently served at competitive lease rates at Duke Tower through 2021

# Existing WTCC Building Considerations and Risks

- \* Retention of these public office tenancies and “jobs” are important to the urban core
- \* Conversion investment would create only Class B space, not new product desired by market , lease up period could be long
- \* HRM opportunity post 2021?
- \* HRM occupancy would only represents 25-30% of office complex
- \* Provincial Lease commitments – drive value and would need to be secured by either private or public owner

# Lease Versus Ownership

- \* Provincial staff engaged Deloitte to examine pros and cons of condominium style ownership versus leasing.

- \* The analysis concludes Public Ownership Pros and Cons are:

## Pros:

- \* May enhance opportunities for government financing
- \* Debt would be slightly less expensive

## Cons:

- \* Risk if the larger development is unsuccessful the public sector is left to terminate the lease and divest space which was built for a very specific purpose

# Lease Versus Ownership

## Cons continued

- \* Less flexibility to meet space needs in the future, than if it were owned/managed as one large development
- \* Ongoing obligations after the term of the contract to maintain/operate the convention space
- \* Risk of functional obsolescence and divestiture risk
- \* If financing by government over a longer term, final interest costs could be higher

# Main Benefits of Leasing

- \* Flexibility. Term of contract can be set with options to renew, or terminate (ie: if private sector does not perform)
- \* Private sector incented to perform to defined standards. Failure to perform results in financial deductions.
- \* Efficiencies with larger complex through co-operative deals in certain services.
- \* Government not exposed to obsolescence risk (like with existing WTCC)

# Main Benefits of Leasing

- \* Private sector responsible for bundle of design, construction, and long term maintenance; therefore incented to design build with quality and durability in mind

## KEY Benefit to HRM:

This would be an operating budget item for us. No increase or impact on HRM's debt.

# Financing Options

- \* Financing costs in the bid are indicative and subject to change.
  - \* Funding Competition
- \* Several options for HRM to finance including debentures starting in 2015-2016, or starting immediately (short-term/long-term).
  - \* May save funds over life of project
  - \* May increase HRM's risk (re: interest rates)
  - \* Without HRM ownership would require special legislation.

# Current Economic Analysis

# A Note On Impact Analysis

- \* Impact analysis provides ballpark estimates of economic benefits....a cannon shot not a rifle shot
- \* Impacts are driven by assumptions on everything from capital costs, to the style of construction, to how much local materials are used
- \* There have been several economic impact studies done around this project.
- \* Assumptions have become increasingly more realistic as the project has become more defined.

# Gardner Pinfold Study

## December 2009

- \* Direct and spinoff impacts of new convention centre only (\$192 million capital cost)
- \* Tax
  - \* \$15.2 million, federal
  - \* \$15.3 million, provincial
- \* GDP
  - \* \$137 million in GDP in HRM
  - \* \$170 million in GDP in all of Nova Scotia
- \* Jobs
  - \* 4,563 in HRM
  - \* 4,905 in all of Nova Scotia

# Gardner Pinfold Study: Operations Impact, July 2010

## \* New delegate assumptions

- \* Smaller conferences counted
- \* Local conferences and meetings counted
- \* Meeting planning activity counted

	Total Impact	Incremental Impact Business declines at existing WTCC
GDP direct and spinoff, (\$millions)	893.8	450.3
Employment direct and spinoff (thousands)	27.5	14
Federal Taxes, direct and spinoff, (\$millions)	85.1	43.5
Provincial Taxes, direct and spinoff (\$millions)	85.6	43.7

# Provincial Yearly Direct and Spinoff Tax Benefits (millions)

	Construction 3-year (\$millions)	Operations 10 year (\$millions)	Most likely incremental impact (\$millions)
GP Dec 2009 (\$192m assumption)	15.2	31.3	
GP July 2010 New assumptions for conventions and delegates		85.6	43.7 (10 years)*

\* This involves an assumption that the existing trade centre loses business which is the most reasonable outcome given growing competition in the Atlantic Region

# Municipal Tax Benefits

## Factors Driving Property Tax Benefit

Existing Convention Centre

New Convention Centre

New Office Building

New Hotel

Increase or decrease in downtown assessments

New downtown construction

Upgrades to heritage buildings

Cost avoidance of downtown renewal

# Provincial Benefits of Full Project Construction

- \* Only convention centre impacts have been measured to date
- \* Full project includes: hotel, convention centre, office building, residential
- \* A conservative estimate of the full impact of the entire project could see all benefits, GDP, employment and federal and provincial tax benefits magnified by 2 to 3 times the impact of the convention centre cost

# Likely Construction Impacts: Full Project

- \* New capital cost assumptions
- \* Overall project cost about \$500 million
- \* Construction Impacts (Direct and Spinoff)
  - \* Employment ... 3,400 to 5,000 person years
  - \* Provincial Revenue ... \$20 to \$30 million
  - \* GDP... \$230 to \$345 million
  - \* Based on the most up to date analysis, most conservative assumptions

# Full Provincial and Federal Revenues

- \* About \$30 million on project construction
- \* About \$40 million over 10 years on operations
- \* If this project spur new activity, further federal and provincial tax benefits will be realized.
- \* If the project generates incremental jobs in the financial sector there will be further federal and provincial tax benefits
- \* A win-win-win scenario

# Other Unmeasured Impacts

- \* Halifax becomes more attractive for inward investment in the financial sector...incremental high wage jobs.
- \* Provide a positive signal that will stimulate new developments in the downtown
- \* Convention visitors turn into:
  - \* migrants
  - \* Investors
  - \* business owners
  - \* return visitors
- \* Prevent decline in assessments in the downtown
- \* Cost avoidance....downtown redevelopment after economic critical mass has been lost is very costly
- \* Significant benefits to the rest of Nova Scotia

# Observations

- \* This project will generate about \$100 million a year in GDP during construction and more than \$40 million a year in incremental GDP during operation
- \* This one project could make the difference between being a top performing Canadian city or being middle of the pack or worse over the next 4 years
- \* Employment created by this project could keep people in Nova Scotia as other provincial economies begin to pick up speed in the post recession period
- \* Halifax tends to feel economic downturns most in the post recession period. We cruised through recession. But we this need stimulus now and over the next few years

# Observations

- \* The new convention centre is an important and required piece of public infrastructure
- \* Unlike most public infrastructure, this proposal will provide significant revenue flows to governments both during construction and operation
- \* I am confident that the analysis presented to date is reasonable representation of the stream of economic benefits under progressively more accurate costing and delegate assumptions

# Current Financial Analysis

# Current Financial Analysis

## Outline of Ongoing Due Diligence

- \* Role of Finance in Due Diligence
- \* Assumptions and Estimates on Property Taxation
  - \* Property Tax Revenues – The Larger Site
  - \* Property Tax Revenues – The Convention Centre
  - \* New versus Incremental
  - \* The Role of Government and Taxes

# Role of HRM Finance

- \* Advisors for Council. Not Advocates for the project.
- \* Fiduciary responsibility as professionals to provide accurate information and wise and honest advice.
- \* Consulted with Municipal Auditor General on process and approach for reasonableness.

# Due Diligence

- \* Business case preparation by Deloitte Canada
- \* Shadow bid preparation by Deloitte with input from PNS, HRM, TCL staff
- \* Comparison of bid to Shadow bid
- \* Hanscomb quantity surveyors review of bid
- \* Economic impact – has been updated and continually refined to be more accurate.
  - \* Economic Studies reviewed by GHP Chief Economist

# Due Diligence

- \* Review and validation of key assumptions and estimates by Provincial staff, HRM, and GHP
- \* Professional qualifications and standards of consultants involved, as well as staff
- \* Continued review of trade centre projections
- \* Conclusion – An appropriate level of due diligence work has been conducted. Any risks around estimates have been adequately disclosed. Work will continue.
- \* There is a manageable level of risk; and the project benefits (social and financial) outweigh the costs

# Assumptions on Property Taxes

- \* Property Taxes are based on assessed values as determined by the Property Valuation Services Corporation (PVSC). Three main methods are used:
  - \* Income Method
  - \* Cost Method
  - \* Direct Comparison Value
- \* Until the Project is finished (in five years) and PVSC places a value on it, the final assessed value and tax is simply an estimate.

# Property Taxes on the Site

- \* The “Income” method is the best approach for the site but data is not yet available.
- \* Our Estimates look at the size of the proposed facility and compare it to similar quality facilities in the Downtown. We are using best available square footage and other metrics.
- \* Assessed value amounts are incremented by 3.6% annually.
  - \* This is 75% of the annual growth rate since 1997.

# Estimated Property Tax from the Site

(Excludes New WTCC)

**HRM Estimate  
2016-2017**

## **New WTCC Site:**

Hotel	1,750,000
Hotel Tax Levy	197,000
Office Tower	1,158,000
Underground Parking	263,000
Retail	415,000
<b>Sub-total</b>	<b>3,783,000</b>

Note: Excludes residential taxation.

# Property Tax on the Convention Centre

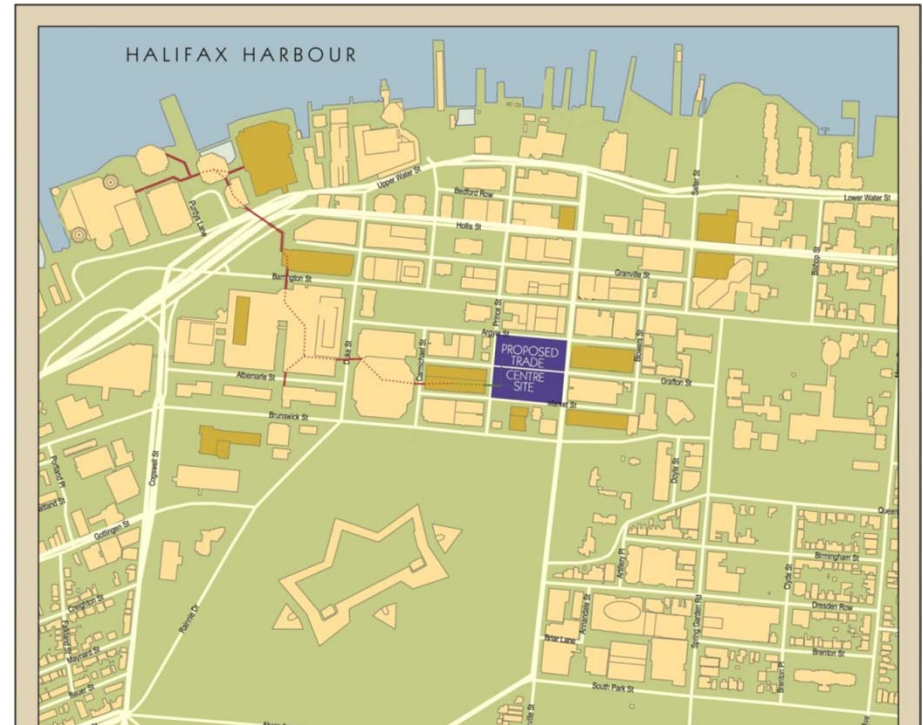
- \* Assessed value on the Convention Centre will likely be based on the value of the lease that will be signed with Rank Inc.
- \* Based on the lease values the property would be assessed at \$105m. **The tax including all area rates would be \$4.1m.**
- \* Subject to negotiations with the Province, this bill would be included in the Trade Centre's costs and cost-shared between the Province and HRM.

# Is the Property Tax Incremental

- \* Most revenues identified are new funds for 2015-2016, however, some of these revenues could have occurred regardless.
- \* Residential taxes are likely relocated from other projects
- \* Relocation of existing office tenants (short-term to medium-term loss). Impact on other hotels.
- \* A possibility that an office tower(s), hotel(s) may be constructed without this project, and now may not go ahead.
- \* There would be additional spin-offs.

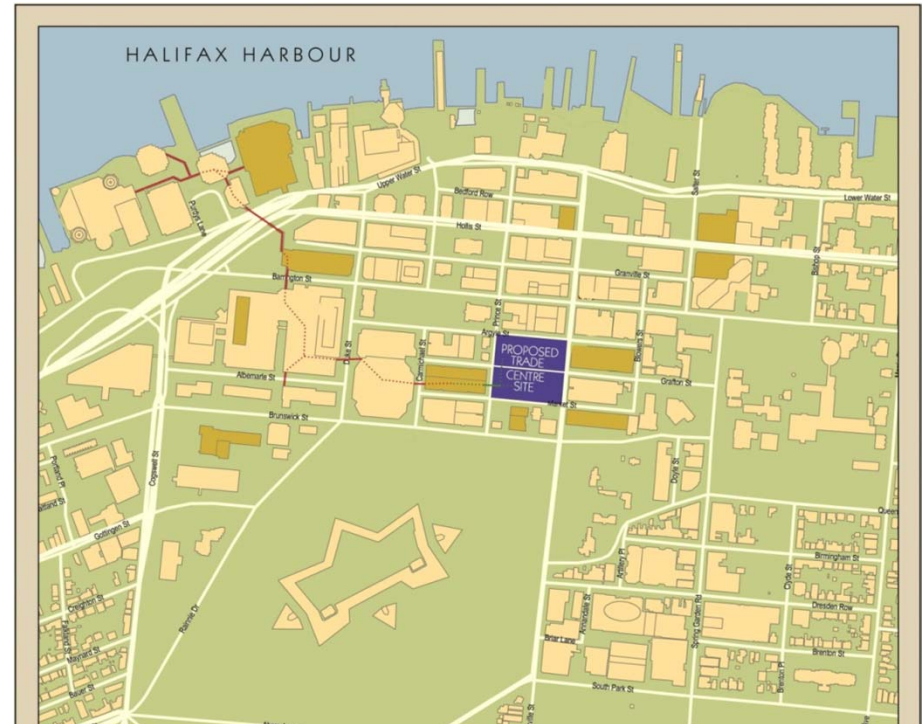
# Impact on Surrounding Areas

- \* Downtown and Spring Garden currently generates close to \$40m per year
- \* Positive Spin-offs may spread to Downtown and elsewhere
  - \* **Restaurants**
  - \* **Service Businesses**
  - \* **Retail**
  - \* **Vacant Land**
- \* A 10% bump downtown would produce \$1.6m in revenues annually.
- \* Potential losses are easier to quantify than potential gains.



# Impact on Surrounding Areas

- \* Some tax in surrounding areas may shift to new WTCC:
  - \* **Hotels** (may lose some business on shoulder season)
  - \* **Office Towers** (with expiring leases, may simply relocate)
  - \* **Current WTCC** (value may decline)
- \* Estimated value is \$600,000 in 2016-2017



# Property Tax if the Project doesn't go Ahead

Estimated for 2016-2017

Vacant Land  
would pay  
\$350,000 per year

Smaller Office/  
Hotel complex  
= \$2.3m per year

Condo/Hotel complex  
= \$1.9m per year



# Principles for Financial Analysis

- \* Proposal must make strong financial sense
  - \* Additional Tax Revenues must be incremental, not just relocated from elsewhere
  - \* Commercial taxpayer should pay substantial cost of the project
  - \* Must be sufficient municipal revenues to pay for municipal services
  - \* Should be potential for strong economic and tax spin-offs outside the site area.
  - \* Proposal does not move ahead/stop solely on basis of the level of property taxes generated
  - \* Analysis and Conclusions must be long-term in nature and sustainable

# Strong Benefits for Nova Scotia

- \* Economic Spinoffs across key sectors such as hospitality.
- \* Employment and income growth.
- \* Improved quality of life, intangibles
- \* Offers potential for financial sector growth
- \* Rejuvenation of downtown core
- \* Brings income into Halifax and the Region from outside.
- \* Benefits spread across many areas and don't accrue solely to the Convention Centre. Hence, the role of Government.

# The Role of Government Halifax Regional Municipality

- \* **Direct Participation In Economic Development Via:**
  - \* Partnerships with GHP, DH, TCL, Support to BID's
  - \* MOU's With HSIA, HPA, Universities, etc.
  - \* Business Parks Program, Atlantic Gateway
  - \* Government and Community Partners – ACOA, NSDERD, Chamber of Commerce, etc.
  - \* Alignment of Corporate & Business Planning Functions to Economic Outcome Areas
- \* **Stable Financial Situation With Some Immediate Challenges**
  - \* Limited flexibility to increase taxes
  - \* Dependent on fixed costs to provide needed services
- \* **Extremely Interested In Economic Competitiveness & Prosperity**

# The Role of Government Province of Nova Scotia

- \* The Senior Level of Government
  - \* Substantial, Broad Tax and Regulatory Powers
  - \* Considerable size, Budget is 12 times HRM budget.
  - \* Enormous involvement in Economic Development
    - \* More tools to use as levers (taxation, deficits, regulation) hence greater flexibility, better able to absorb risks.
    - \* Responsible for the entire Province,
    - \* Deals directly with Federal Government
    - \* Economic Development Budget approaches \$500m
- \* Province needs to take the lead on the new WTCC

# The Role of Taxes

- \* Governments shouldn't undertake projects just to realize taxes
  - \* Many government projects have no or little incremental taxes
  - \* Projects with strong, predictable revenue returns are candidates for the private sector.
  - \* Many projects, however, have strong economic and social benefits that accrue across society and aren't easily captured by a full private sector model.
  - \* Future tax and economic streams can be estimated but remain projections only. Most models provide future estimates based on historical data and can't account for synergies and emerging trends.

# HRM's Views on Taxation Equity and Competitiveness

- \* Equity

- \* As businesses compete with each other, it is critical that government not create inequitable situations. Taxes should be comparable between competitors.

- \* Competitiveness

- \* The taxes set by Provincial and Municipal governments need to be competitive with taxes elsewhere.
  - \* We need to maximize the economic benefit for all of Halifax and Nova Scotia.

# Taxes on the new Convention Centre

## Province and HRM

- \* Province

- \* Acquires taxes through a variety of means including HST, Personal Income Tax, Corporate Income Tax, Capital Tax, Fuel Taxes, Fees
- \* **Average taxes on new WTCC is \$5.2m per year plus 3.4m in annual spinoffs; Corporate Income Taxes; one-time taxes during construction (\$9.5m).**

- \* HRM

- \* Acquires taxes through residential and commercial property tax as assessed under Provincial law.
- \* **Full Year taxes on new WTCC is estimated at \$4.1m.**

## Estimated Taxes and Costs in \$Millions

First Full Year - 2016-2017

	Provincial Offer	Full Market Value
<b>Additional Property Tax:</b>		
- Office, Hotel, Retail, Parking	3.8	3.8
- Convention Centre	<u>0.0</u>	<u>3.9</u>
<b>Additional Tax</b>	<b>\$3.8</b>	<b>\$7.7</b>
<b>Additional Costs:</b>		
- Payment to Province	6.3	8.4
- Less Current Payment	<u>-0.7</u>	<u>-0.7</u>
<b>Additional Costs</b>	<b>\$5.6</b>	<b>\$7.7</b>
<b>Net Amount</b>	<b>-\$1.9</b>	<b>\$0.0</b>

Note: "Additional Property taxes" are commercial taxes only and include both the general tax rate and the Provincial area rate (commercial) but not other area rates. Reserve Balance includes interest at 3.5%. "Additional costs" include all taxes on the Convention Centre including the general tax rate, Provincial area rate, supplementary education and fire protection.

## Estimated Taxes and Costs in \$Millions

First Full Year - 2016-2017

	Provincial Offer	Full Market Value
<b>Halifax Regional Municipality:</b>		
- Additional Taxes (Direct)	3.8	7.7
- Additional Taxes (Spinoff)	na	na
- Additional Costs	<u>5.6</u>	<u>7.7</u>
<b>Net Amount</b>	<b>-\$1.9</b>	<b>\$0.0</b>
<b>Province of Nova Scotia:</b>		
- Additional Taxes (Direct)	5.2	5.2
- Additional Taxes (Spinoff)	3.4	3.4
- Additional Corporate Income Tax	na	na
- Additional Costs	<u>4.4</u>	<u>6.3</u>
<b>Net Amount</b>	<b>\$4.2</b>	<b>\$2.3</b>

Note: Province of Nova Scotia taxes are based on the average taxes over 10 years as per Scenario 3 of the July 2010 Garner Pinfold study. They exclude taxes from the Office Tower and Hotel project. They also exclude all taxes from the construction phase. Nova Scotia revenues excludes residential property taxes and any taxes from spinoffs.

# Committee of the Whole

## November 9, 2010

- \* **Public Overview of**
  - \* Economics,
  - \* Taxation,
  - \* Finance
- \* **Next Steps:**
  - \* **In-Camera** - Recommendations and Direction to Staff,
  - \* Response to Province of Nova Scotia