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Halifax Regional Council
May 28, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

A handwritten signature in black ink, appearing to read "George McLellan", written over a horizontal line.

George McLellan, Chief Administrative Officer

DATE: May 23, 2002

SUBJECT: Canada - Nova Scotia Infrastructure Program Update

ORIGIN

At its regular session on January 22, 2002, Regional Council considered a list of Infrastructure Program priorities proposed for funding for 2002/03. As a result of discussion at that session and subsequent to it, a revised list has been developed by staff. Details of the revisions are included in this report along with the revised list of priorities.

RECOMMENDATION

It is recommended that:

- 1. Council approve the attached list of Proposed 2002/03 Infrastructure Program Requests in the order of priority; and**
- 2. Council direct staff to review the priority list for the 2003/04 budget and the process for developing it and develop recommendations for consideration by Council.**

BACKGROUND

Under the new Infrastructure Program announced in the February 2000 Federal Budget, the Federal and Provincial Government will fund up to two-thirds of a capital project and HRM will fund the other third. HRM's original share of Federal/Provincial funds totalled \$25.8 million. For 2001/02, seven projects were approved for infrastructure funding leaving \$18.5 million for future years. If allocated evenly over the five year period, \$4.4 million would be available in 2002/03.

The provincial government indicated in its recent budget that it may spread infrastructure funds out over an additional fiscal year. Municipalities would receive the same level of funding but in some cases it may be delayed. At this point, the Federal Government has not agreed to this change. Provincial staff have advised HRM staff that even should this change occur not every municipality would see the funds spread out over time. Rather, the total pot would be spread out and depending on individual circumstances some units could receive more or less funding than on average.

DISCUSSION

The following changes have been made to the priority list of proposed Infrastructure requests since the original list was approved by Council on January 22, 2002:

North Preston Recreation Centre (Priority # 3)

It is recommended that the total budget for this project be increased from \$2,000,000 to \$3,000,000, with the Federal/Provincial share increasing from \$1,333,000 to \$2,000,000. This recommendation is the result of an architect's report submitted to HRM in March 2002. It also makes allowance for the purchase of land, demolition of an existing structure, and installation of on-site services.

Beaver Bank Sewer Services - Phase IV D&E (Priority # 4)

Phase IV of the Beaver Bank Sewer system was originally estimated to cost \$10 million. Currently \$6 million has been approved for Phase ABC. The cost for Phase ABC is now, however, projected to be only \$4.7 million. Staff is recommending that the remaining \$1.3 million be used for Phase D and that the application for Phase D&E be reduced from \$4.0 million to \$2.7 million. The Federal/Provincial share would therefore be reduced from \$2,667,000 to \$1,800,000. The total cost for the Beaver Bank sewer project would now be \$8.7 million, which is consistent with the April 23, 2002 report approved by Council.

North Preston STP, Prince's Lodge, Maplewood (Priorities # 11 to 16)

Staff revisited whether water and sewer projects should be given a higher priority. As a result, the Penhorn Fire Station was moved down in priority ranking from 11th to 15th, and the Beaver Bank Fire Station was moved from 15th to 16th. As a result, the North Preston Sewage Treatment Plant moves up to priority 11, Prince's Lodge Sewer and Water become priorities 12 and 13 and Maplewood Water becomes priority 14.

Waste Water Treatment Upgrade - Aerotech Park (Priority # 17)

It is recommended that the total budget for this project be increased from \$2 million to \$5,548,000.

The additional funding is required because it has now been determined that a new sludge treatment facility is needed; it is no longer just an upgrade. The Federal/Provincial share would increase from \$1,333,000 to \$3,699,000.

Ice Arena/ Recreation Centre - Bedford (Rocky Lake Recreation Society) (Priority # 34)

It is recommended that the total budget for this project be increased from \$1.5 million to \$4.5 million. The additional funding is required to include a recreational facility along with the ice arena. The Federal/Provincial share would increase from \$1.0 million to \$3.0 million. HRM's potential contribution would become \$1.5 million which is consistent with its contribution to St. Margarets Bay Arena.

Musquodoboit Harbour Water and Sewer (Priority # 40)

At the January 22, 2002 session of Council, a report from staff was requested regarding this item. At that time, Council was advised that staff were investigating other approaches to resolving this issue. Staff have since contacted the local ratepayers association and collected some basic background information. A committee has been set up in the community with the mandate to move this request forward, however key members of this committee were not available to meet with staff. When the committee is available, staff will expedite the process and provide a more detailed report to Council.

Shore Road Erosion (Priority # 43)

At the January 22, 2002 session of Council, a report from staff was requested regarding this item. Staff monitors this section of roadway on a regular basis and will take appropriate action when necessary. The 2000/01 Capital Budget approved funding for the construction of erosion control measures to protect municipal infrastructure between 1754 and 1854 Shore Road. The \$200,000 in funding being requested from the Federal/Provincial share of the Infrastructure Program would permit HRM to proceed immediately with the design, tendering, and construction of shoreline protection at this site.

Northwest Arm Ferry (Priority # 47)

A motion was passed at the February 21, 2002 session of the Chebucto Community Council to add this project to the priority list. The capital cost of this project is estimated at \$6.0 million. HRM's approval of this project is contingent upon not only Federal/Provincial cost sharing but development of a business case which outlines the fare structure and recovery rates and the impact upon the regional plan. If approved, the Federal/Provincial share would be \$4.0 million.

Wright Avenue Extension / Circumferential Highway Pedway

At the January 22, 2002 session of Council, a report from staff was requested regarding these items, which are not on the priority list. At that time, staff advised that the Wright Avenue extension project was not approved by the Province, and staff would be examining other options to access the back of Burnside Industrial Park. Staff have assessed traffic implications and developed functional plans for a connection of Wright Avenue to an intersection on Burnside Drive. However, Nova Scotia Transportation and Public Works, who own Burnside Drive, have indicated that an intersection will be permitted only under certain conditions. The two key conditions are that HRM

assume ownership of the majority of Burnside Drive and make an open-ended commitment to funding future upgrades to the Highway 111/Burnside Drive interchange if required. Staff is not prepared to recommend that Council accept these conditions.

Staff has had several discussions with Nova Scotia Transportation and Public Works regarding pedestrian crossings of Highway 111 between Burnside Business Park and Highfield Park. The Province has indicated that they have no intention of providing funding for any type of solution to this problem. The cost of a grade-separated pedestrian overpass is estimated to be \$300,000.

Downtown Halifax - Sewer and Water Maintenance

At the January 22, 2002 session of Council, a report from staff was requested regarding this item, which is not on the priority list. Staff confirm that annual preventative maintenance programs are in place to address this area, which is sensitive to traffic and tourist activities. Preventive maintenance activities such as sewer cleaning and hydrant flushing are scheduled outside the tourist season and during overnight hours to minimize inconvenience.

Non-Profits

At the January 22, 2002 Regional Council meeting questions were asked regarding the process for Non-Profits. While non-profits are eligible for the Infrastructure program they would draw down upon the municipal pool of funds. As such, Regional Council made the decision not to sign any such third-party applications. The Province does maintain a "Strategic Infrastructure Fund" which neither requires HRM funds or takes away from the HRM pool of funds. To date, there are no written criteria or application forms. Coastal Communities Economic Development Co-op and Councillor Meade have requested we sign such an application form for \$136,500 in funding for a sewage treatment plant required for a tourism service centre. As there is no impact on HRM, staff are recommending that the form be signed.

Following is the revised summary of current infrastructure requests and funding. The total list now includes \$68.9 million in requests, all competing for the remaining \$18.5 million in remaining funding.

Summary of Current Infrastructure Requests and Funding

	Total
Original 2001-2002 Request (excludes Harbour Solutions)	33,383,733
Less: Projects Approved	(7,304,999)
Less: Projects Completed outside program	(933,000)
Add: Additional Requests for 2002-2003	43,756,000
Total Requests	68,901,734
Available Funds Remaining	18,488,001
Variance	(\$50,413,733)

BUDGET IMPLICATIONS

There are no immediate budget implications due to changing the priority list.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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

ALTERNATIVES

Regional Council is free to add, delete or alter the recommended priority list for infrastructure projects.

ATTACHMENTS

Proposed 2002/03 HRM Infrastructure Requests (May 24, 2002)

HRM Infrastructure Requests (approved by Council - January 22, 2002)
Approved HRM Infrastructure Projects

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Bruce Fisher, Manager of Financial Planning 490-4493
Gordon Roussel, Budget Coordinator 490-5534

Report Approved by: 
Dale MacLennan, Director, Financial Services 490-6308

Proposed 2002-2003 HRM Infrastructure Requests

24-May-02

Priority	Requested Projects	Total Cost	Federal/ Provincial Share
1	Halifax Harbour Solution	\$315,000,000	\$210,000,000
2	Beaver Bank Water - Phase IV, BC	2,043,000	1,362,000
3	North Preston Recreation Centre	3,000,000	2,000,000
4	Beaver Bank Sewer Services - Phase IV D&E	2,700,000	1,800,000
5	Beaver Bank Water Services - Phase IV D&E	2,400,000	1,600,000
6	Beaver Bank Water Reservoir	2,500,000	1,667,000
7	Herring Cove Sewer Services	6,520,000	4,347,000
8	Herring Cove Water Services	7,770,000	5,180,000
9	Shearwater Connector Phase I	7,000,000	4,667,000
10	Artificial Outdoor Soccer Facility	1,100,000	733,000
11	North Preston Sewage Treatment Plant	1,200,000	800,000
12	Prince's Lodge Sewer	1,500,000	1,000,000
13	Prince's Lodge Water	600,000	400,000
14	Maplewood Water Service - Phase II	650,000	433,000
15	Penhorn Fire Station	2,500,000	1,667,000
16	Beaverbank Fire Station	1,500,000	1,000,000
17	Waste Water Treatment Upgrade - Aerotech Park	5,548,000	3,699,000
18	Anderson Street Sewage Pump Station Upgrade	750,000	500,000
19	Morris Lake Pump Sewage Station Upgrade	500,000	333,000
20	Bayers Lake Sewage Pump Station and Forcemain Upgrade	800,000	533,000
21	Sackville Sanitary Trunk Sewer Upgrade	2,000,000	1,333,000
22	Roach's Pond Sewage Forcemain Upgrade	750,000	500,000
23	Fairview Overpass Structural Repairs	500,000	333,000
24	Mainland North Recreation Facility	8,000,000	5,333,000
25	Ice Arena - St. Margaret's Bay	3,000,000	1,500,000
26	Paving of Gravel Streets	2,000,000	1,333,000
27	Bayers Road Improvements	700,000	467,000
28	Sidewalk - Cobequid Road	750,000	500,000
29	Fall River Recreation Centre	500,000	333,000
30	Recreation Facility - East Dartmouth	1,000,000	667,000
31	Beazley Fieldhouse - Renovate	550,000	367,000
32	Outdoor Track Facility - Resurface	200,000	133,000
33	Regional Trails	600,000	400,000
34	Ice Arena/Recreation Centre - Bedford (Rocky Lake Recreation Society)	4,500,000	3,000,000
35	Moser River Fire Station	500,000	333,000
36	Beaverbank Recreation Facility	1,000,000	667,000
37	Water Storage Tank - Middle Musquodoboit	150,000	100,000
38	Fall River Village Water Service - Phase 1-9	3,900,000	2,600,000
39	West Chezzetcook Sanitary Sewer*	4,500,000	3,000,000
40	Musquodoboit Harbour Water & Sewer*	na	0
41	Shubie Campground - renovate	400,000	267,000
41	Park and Ride Lots, Stations (Commuter Rail)	na	0
42	Greenville School	1,600,000	1,066,667
43	Shore Road Erosion	300,000	200,000
44	Cleaning and Lining Water Mains (HRWC)	1,621,600	1,081,067
45	Bi-High Interchange	8,500,000	5,667,000
46	Hubbards Cove Sewer*	na	na
47	Northwest Arm Ferry	6,000,000	4,000,000
Total		419,102,600	278,901,734
Total (before Harbour Solutions)		104,102,600	68,901,734

* Other approaches need to be investigated before actual price is confirmed.

Proposed 2002-2003 HRM Infrastructure Requests

Priority	Requested Projects	Total Cost	Federal/ Provincial Share
1	Halifax Harbour Solution	\$315,000,000	\$210,000,000
2	Beaver Bank Water - Phase IV, BC	2,043,000	1,362,000
3	North Preston Recreation Centre	2,000,000	1,333,000
4	Beaver Bank Sewer Services - Phase IV D&E	2,700,000	1,800,000
5	Beaver Bank Water Services - Phase IV D&E	2,400,000	1,600,000
6	Beaver Bank Water Reservoir	2,500,000	1,667,000
7	Herring Cove Sewer Services	6,520,000	4,347,000
8	Herring Cove Water Services	7,770,000	5,180,000
9	Shearwater Connector Phase I	7,000,000	4,667,000
10	Artificial Outdoor Soccer Facility	1,100,000	733,000
11	Penhorn Fire Station	2,500,000	1,667,000
12	North Preston Sewage Treatment Plant	1,200,000	800,000
13	Prince's Lodge Sewer	1,500,000	1,000,000
14	Prince's Lodge Water	600,000	400,000
15	Beaverbank Fire Station	1,500,000	1,000,000
16	Maplewood Water Service - Phase II	650,000	433,000
17	Waste Water Treatment Upgrade - Aerotech Park	2,000,000	1,333,000
18	Anderson Street Sewage Pump Station Upgrade	750,000	500,000
19	Morris Lake Pump Sewage Station Upgrade	500,000	333,000
20	Bayers Lake Sewage Pump Station and Forcemain Upgrade	800,000	533,000
21	Sackville Sanitary Trunk Sewer Upgrade	2,000,000	1,333,000
22	Roach's Pond Sewage Forcemain Upgrade	750,000	500,000
23	Fairview Overpass Structural Repairs	500,000	333,000
24	Mainland North Recreation Facility	8,000,000	5,333,000
25	Ice Arena - St. Margaret's Bay	3,000,000	1,500,000
26	Paving of Gravel Streets	2,000,000	1,333,000
27	Bayers Road Improvements	700,000	467,000
28	Sidewalk - Cobequid Road	750,000	500,000
29	Fall River Recreation Centre	500,000	333,000
30	Recreation Facility - East Dartmouth	1,000,000	667,000
31	Beazley Fieldhouse - Renovate	550,000	367,000
32	Outdoor Track Facility - Resurface	200,000	133,000
33	Regional Trails	600,000	400,000
34	Ice Arena - Bedford (Rocky Lake Recreation Society)	1,500,000	1,000,000
35	Moser River Fire Station	500,000	333,000
36	Beaverbank Recreation Facility	1,000,000	667,000
37	Water Storage Tank - Middle Musquodoboit	150,000	100,000
38	Fall River Village Water Service - Phase 1-9	3,900,000	2,600,000
39	West Chezzetcook Sanitary Sewer*	4,500,000	3,000,000
40	Musquodoboit Harbour Water & Sewer*	na	0
41	Shubie Campground - renovate	400,000	267,000
41	Park and Ride Lots, Stations (Commuter Rail)	na	0
42	Greenvale School	1,600,000	1,066,667
43	Shore Road Erosion	300,000	200,000
44	Cleaning and Lining Water Mains (HRWC)	1,621,600	1,081,067
45	Bi-High Interchange	8,500,000	5,667,000
46	Hubbards Cove Sewer*	na	na
	Total	405,554,600	269,868,734
	Total (before Harbour Solutions)	90,554,600	59,868,734

* Other approaches need to be investigated before actual price is confirmed.

Approved HRM Infrastructure Projects

Priority	Requested Projects	Total Cost	Federal/Provincial Share						TOTAL	
			Federal/ Provincial Share	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006		
2	Little Salmon River Water	1,900,000	1,266,666	1,266,666	<< Timing to be announced					
3	Maplewood Water, Phase I	450,000	300,000	300,000	0	0	0	0	0	300,000
4	Beaverbank Water - Phase IV, A	657,000	438,000	438,000	0	0	0	0	0	438,000
5	Miller Lake Water	200,000	133,333	133,333	0	0	0	0	0	133,333
6	Beaverbank Sewer Services - Phase IV AB&C *	6,000,000	4,000,000	1,330,000	1,340,000	1,340,000	0	0	0	4,000,000
10	Sanitary Sewer Upgrade - Macintosh Run	1,000,000	667,000	333,500	333,500	0	0	0	0	667,000
13	Beaverbank Road Trunk Sewer Upgrade	750,000	500,000	500,000	0	0	0	0	0	500,000
		10,957,000	7,304,999	4,301,499	1,663,500	1,340,000	0	0	0	7,304,999
Total Available			25,793,127	5,158,600	5,158,600	5,158,600	5,158,600	5,158,600	5,158,600	25,793,127
Estimated Funds Remaining			18,488,128	857,101	3,495,100	3,818,600	5,158,600	5,158,600	5,158,600	18,488,001
Estimated CarryForward				857,101						
Estimated Funds Remaining with Carryforward				4,352,201						

* Staff is recommending that \$1.3 million be transferred to Beaver Bank Sewer Services Phase IV D&E