

HALIFAX REGIONAL MUNICIPALITY

HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES

August 2, 2011

PRESENT: Mayor Peter Kelly
Deputy Mayor Jim Smith
Councillors: Steve Streach
Barry Dalrymple
David Hendsbee
Lorelei Nicoll
Gloria McCluskey
Darren Fisher
Bill Karsten
Jackie Barkhouse
Mary Wile
Jerry Blumenthal
Dawn Sloane
Sue Uteck
Jennifer Watts
Russell Walker
Debbie Hum
Linda Mosher
Brad Johns
Robert Harvey
Tim Outhit
Reg Rankin
Peter Lund

REGRETS: Councillor: Stephen Adams

STAFF: Mr. Richard Butts, Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Cathy Mellett, Municipal Clerk
Ms. Krista Vining, Legislative Assistant

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1. CALL TO ORDER

Mayor Kelly called the meeting to order at 2:50 p.m. in the Council Chambers, City Hall.

2. APPROVAL OF THE MINUTES – March 29, April 5, 27 & 28, 2011

MOVED by Councillor Sloane, seconded by Councillor McCluskey that the minutes of March 29, April 5th, 27th and 28, 2011 be approved, as presented. MOTION PUT AND PASSED.

3. HRM STADIUM ANALYSIS – PHASE 1 FINAL REPORT

The following was before Council:

- A report from the HRM Stadium Analysis Steering Committee dated July 18, 2011
- A staff report dated July 18, 2011
- A copy of the presentation entitled: Stadium Analysis – Phase 1 Analysis Business Plan and Consultation
- Email submission from John Wesley Chisholm dated July 30, 2011

Mr. Peter Spurway, Vice Chair, HRM Stadium Analysis Steering Committee, introduced members of the Steering Committee and thanked HRM staff for their assistance.

Mr. John Hack, Sierra Planning and Management, and Ms. Betty Lou Killen, Community Development, delivered a presentation to Council.

Councillor McCluskey expressed concern with the lack of confidence within the business plan respecting HRM's ability to afford the proposed facility. She requested clarification respecting the number of games that would be held should HRM qualify to host a FIFA event. Ms. Killen indicated that based on previous FIFA events, HRM would host a number of soccer matches over a period of approximately five days. Councillor McCluskey expressed concern with the affordability and maintenance of HRM's current recreation facilities and infrastructure, commenting that the proposed facility would operate at a deficit.

MOVED by Councillor Sloane, seconded by Deputy Mayor Smith that Halifax Regional Council:

- 1. Approve in principle the recommend directions outlined in the Final Report – Phase 1 Stadium Analysis: Halifax Stadium – Business Plan (Attachment 2 of the staff report dated July 18, 2011);**
- 2. Direct staff to proceed to Phase 2 Stadium Analysis: Site Selection and Preliminary Design;**
- 3. Approve an increase to project CBX01363 in the amount of \$275,000 (net HST included) for Phase 2, with funding from the Strategic Growth**

Reserve, Q126, as outlined in the Budget Implications section of the staff report dated July 18, 2011; and

4. Return to Regional Council by the end of September for capital affordability and financing options discussion.

Council entered into discussion. The following points and concerns were noted:

- It is important to identify and confirm partnerships, as well as review site selection options
- The stadium would assist with revitalization in HRM
- HRM has substantial existing infrastructure that needs investment
- There will be substantial operating subsidy involved with this project
- Concern partnerships have not been identified; are the Provincial and Federal government going to provide funding

Ms. Killen clarified that HRM staff and the Steering Committee wanted to ensure that the business planning process was clean and solid so that Council could have an opportunity to review what has been identified in the community. The fourth recommendation indicates that staff would like to come back in September to have discussions respecting potential funding partnerships and identifying capital funding options. During the approval of Phase 1, staff advised that reviewing the capital funding partnerships in Phase 1 was not part of an operating business plan and would be identified during the Phase 2 analysis.

- Concern with spending an additional \$275,000
- The Federal government may not support a stand alone stadium but they may fund a community partnership; HRM has community partnerships with Dalhousie University and Saint Mary's University with amenities and infrastructure already in place
- Concern with the design (ie. soccer specific field); there is an opportunity to expand the design to support other sports (ie. baseball, softball)

Mr. Hack clarified that the field would be a multi-use playing surface with a multi-use facility. The detailed design would address some of the mechanics respecting how to accommodate different sports. He commented that from a business plan, it is important to have a wide range of diverse options without degrading the core of the facility.

Councillor Dalrymple suggested the number of event days could be increased from the proposed 50 days by diversifying sports opportunities. He asked whether HRM has the expertise in managing a large scale stadium or is the intent to bring a consultant on at some point to advise Council. Ms. Killen indicated that that this would be determined by Regional Council. Councillor Dalrymple commented that at the end of the process he does not want to walk away wondering if HRM missed an opportunity and whether the project could have been done.

In response to a question raised by Councillor Dalrymple, Mr. Hack reiterated that questions respecting capital costs, design and location would be identified during the

Phase 2 analysis. Council would review the project's affordability and financing options to gain an understanding as to whether there is value for the money. Mr. Hack commented that prospective partners will also want answers to these types of questions in order to commit. During the Phase 1 analysis, staff spoke to a number of potential partners, who identified an interest in partnering with HRM; however, confirmation of those partnerships would be provided in Phase 2.

Further points and concerns noted:

- A decision should not be made until confirmation is received respecting the ship building contract; this contract would bring job opportunities, revenue and development to HRM
- Additional seating would be required in the Huskey Stadium to host a Canada Football League (CFL) team
- Concern that the expenses and revenue does not reflect the return on investment
- The FIFA games would be seven games over a ten day period; the international teams would utilize the facility and other HRM facilities for practice for seventeen days
- The public is not typically engaged by feasibility studies, as many want to discuss the design of buildings (ie. number of seats and location)
- HRM's youth football league is projected to have 400 players for the 2011 season
- The quality of HRM's facilities is related to the amount of participation in sports; HRM needs better facilities to be able to reach out to events that are not presently considering the Municipality as a host city

In response to a question raised by Councillor Fisher respecting option 3, Mr. Hack advised that the provision for expandability is critical. Having the option to build in a modular way enables HRM to respond to potential opportunities at a later date. He indicated that the stadium could be built as large as the market determines (ie. between 20,000 to 30,000 seats).

Further points noted:

- A suggestion was made respecting the possibility of having five additional turfs throughout HRM rather than concentrating on one field with a stadium
- There are a number of outstanding reports which may impact Council's decision (ie. - Proposed plan for facilities and identify budget implications
 - Review of the continued asset decline on the capital budget and the impact of new capability projects being undertaken, the impact on the budget and ways of increasing capacity to the capital budget
 - A community recreation services review is being undertaken; the review will identify how accessible HRM's recreation services are to the community at the present time)
- Concern with the ability to provide top quality recreational services in an affordable and accessible manner to HRM residents
- Concern with the concept of a stadium, which promotes spectator driven sports

- A review should be undertaken of the Canada Games Centre and the BMO Centre to gain understanding of HRM's current facilities

Ms. Killen clarified that when staff came forward to Council in February 2011 to propose a three phased approach to the analysis, it was to confirm that there was capacity to have these kinds of discussion. The Phase 1 analysis was specific to operating business performance for the type of facility. Staff's mandate was to complete this analysis within a framework that would allow HRM to move forward for a FIFA bid. The proposal before Council today would allow staff to complete Phase 2 in order to obtain all the information should Council choose to build a facility now or some time in the future.

Deputy Mayor Smith noted the importance of moving to Phase 2, commenting that HRM is the only HUB city in Canada without a stadium; not even a 10,000 seat stadium.

Mr. Hack provided clarification respecting the economic impact assessment, advising that the majority of the economic impacts will be retained within HRM and surrounding area and would not flow to other levels of government.

Councillor Karsten indicated that the July 18, 2011 staff report does not answer questions as to whether HRM needs a stadium and why. He suggested that this matter be deferred to identify the capital funding options and questioned the estimated cost of the Phase 2 analysis. Councillor Karsten reminded Council that staff recently gave a presentation on capability projects, which are new projects earmarked as important for the growth of HRM. Council forwarded the report to the Audit and Finance Standing Committee for discussion, which is scheduled to come back to Council with a recommendation respecting the formula HRM will use for capability projects.

Mr. Hack clarified that the July 18th staff report addresses project facility delivery methods, which includes discussion of the various kinds of capital funding opportunities.

Ms. Killen further clarified that the estimated cost of the Phase 2 analysis was developed by the Infrastructure and Asset Management department and is based on a percentage of a potential total capital project.

Councillor Nicoll expressed concern with the lack of public engagement and questioned where the funding would come from for Phase 2. She requested clarification respecting Moncton's formula and whether their stadium is solely run by the University. Councillor Nicoll questioned the Business Plan, noting that Moncton's stadium and Toronto's varsity stadium's annual operating budgets are listed as not applicable and the Montreal's Saputo Stadium operates at a loss, costing \$340,000 annually for staffing. She hoped that consideration was given respecting this information when determining HRM's FIFA bid, and asked whether the timing for the bid is critical or whether HRM could wait until information is provided on the convention centre.

Mr. Hack clarified that the BMO field in Toronto operates at a \$7 million surplus, commenting that few facilities would be able to pay their capital costs. Part of the reason Toronto's varsity stadium is in deficit is that they have a 75% utilization rule for students and staff, meaning there are no revenues. Moncton's stadium is a fairly recent facility, the University uses it and the city runs programs from the stadium.

Mr. Mike Labrecque, Deputy Chief Administrative Officer, advised that the decision for the FIFA bid must be made by December 2011. The fourth recommendation allows Council the ability to make a final determination on the future of a stadium now, in September or upon further discussion respecting affordability and financing options.

Further points and concerns noted:

- The stadium will not initially be large enough to host a CFL team
- In addition to the proposed 50 event days, HRM needs to identify how the stadium will be used the remainder of the year
- There is nothing to preclude Saint Mary's University and Dalhousie University coming forward with a proposal to become partners, even if HRM does not move to Phase 2
- A suggestion was made as to whether the \$275,000 could be divided up into stages rather than committing to the full amount

In response to questions from Council, Mr. Hack clarified that the staff has spoken with the Universities and developers but was unable to report the details of the site location until Phase 2. There is no reference in the July 18, 2011 staff report respecting an enclosed structure across the entire stadium. The business plan proposes a weather roof that could be put over the grand stand to keep the elements out, as well as a bubble for winter use. The operating business plan and market evidence is for a stadium operating as an event centre.

Mr. Townsend further clarified that the \$275,000 estimate for the Phase 2 analysis would not include detailed design. Part of Phase 2 would also review the site location, which has a large impact on the cost of construction, size of the facility and related facilities. The intent of Phase 2 is to come back with a Class C estimate to provide Council with a greater level of confidence to make an informed decision as to whether or not to proceed with the construction of the stadium or a FIFA bid. Council can choose to proceed to Phase 2 without a FIFA bid if they felt there is a long term need for a stadium.

Mr. Townsend indicated that strategic growth reserve allows opportunities for HRM to deal with major infrastructure projects that are seen as part of strategic growth. HRM may well have an opportunity to fund studies and/or capital investments within the reserve's business case.

In response to concerns raised by Council respecting the lack of partnership confirmation, Mayor Kelly and staff reiterated that preliminary discussions have been held as part of the analysis with potential partners; however, confirmation of the

partnerships would be determined during the Phase 2 analysis. Feedback received from the Universities and private sectors is that many would prefer to have their own assets on their own sites.

Due to time constraints, Council agreed to adjourn the meeting at 4:54 p.m. without a vote on the motion. The Committee of the Whole session will resume on August 9, 2011.

Cathy J. Mellett
Municipal Clerk