

**REVISED Appendix D
as of March 31, 2010**



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 3

**Halifax Regional Council
March 30, 2010**

TO: Mayor Kelly and Members of Halifax Regional Council

A handwritten signature in cursive script, appearing to read "Wayne Anstey".

SUBMITTED BY: _____
Wayne Anstey, Acting Chief Administrative Officer

DATE: March 22, 2010

SUBJECT: Central Library - Funding Strategy

ORIGIN

November 18, 2008 motion of Halifax Regional Council to:

1. Approve the principles listed in the discussion section of this report to be used as the basis of assumptions to develop financing scenarios for Council's consideration of the Central Library.

2. Authorize expenditures of an estimated value up to \$100,000 from capital account CBW00978 - Central Library, to engage external expertise to a) value potential revenue opportunities through sale of the existing Library site and nearby municipal parking lot sites, (b) analyse how to maximize the value through re-development of lands received through the joint provincial land-use transaction and (c) explore various development models for the Central Library.

RECOMMENDATIONS

It is recommended that Regional Council;

- 1) Approve the Central Library Funding Strategy as outlined in this report;
 - 2) Approve the Central Library Repayment Reserve Business Case as outlined in this report;
 - 3) Approve the Central Library Recapitalization Reserve Business Case as outlined in this report;
- and
- 4) Approve an increase to capital account CBW00978 of \$52,700,000 as outlined in the Budget Implications section of this report.

BACKGROUND/DISCUSSION

The need for a Central Library for the Halifax Regional Municipality has been a long standing project and a topic of discussion beginning in 1998 when the concept was approved in principle by Regional Council. Since then Library and HRM staff have been charged with advancing the concept and looking at options for the provision of the Library. There have been several milestones along the way. The most recent being:

February, 2007 - Regional Council endorses the provincial lands on the corner of Spring Garden Road and Queen Street for the New Central Library as part of an overall mixed use downtown development plan under the Spring Garden/Queen Street Lands Plan.

August, 2008 - HRM Council adopts the vision for a New Central Library - "A Partnership of Culture and Learning" and approves the Building Program following extensive public consultation.

November 18, 2008 - HRM Council approves funding principles for a new central Library as a cornerstone of a major downtown lands development which will help stimulate growth of the local and regional economy. Council directed staff to examine funding options and develop a financial plan for the project which should be multi-year and include funding from both public and private sectors.

November 18, 2008 - Regional Council approved a municipal/provincial lands exchange which saw the provincial site at the corner of Queen and Spring Garden as well as the former Halifax Infirmary site on Queen Street transferred to HRM for other land considerations.

April 28, 2009 - Council approves putting the Central Library forward as one of two Building Canada projects for joint Federal/Provincial/ Municipal funding.

May 26, 2009 - Regional Council approves the 2009/10 Capital Budget which includes a \$2,900,000 allocation towards the Central Library.

When, on November 18, 2008, Regional Council gave direction to explore funding for the Central Library, it established six principles to direct staff. What follows are those principles along with the resulting recommendations from staff's examination;

1. Sales proceeds from the old library site should be used to support the development of the new library.

The current Memorial Library (old Library) site was formerly the site of the Halifax Poor House and was owned by the Province. Legal research into the deed determined that the current site was deeded over to the City of Halifax from the Province in 1882 as Grafton Park after the Poor House closed. Under the terms of the deed the "land may only be used as a public park". In 1949, the terms of the deed were amended by Provincial Legislation to

allow for the building of the current Memorial Library. The legislation as it currently stands allows the site only to be used for a public library and park. Under those terms the current building would have to be demolished if it is not used as a library and if the lands are no longer to be used for a park they are to revert back to the Province. While there is the possibility of approaching the Province for changes to amend the legislation in order to achieve public objectives that were outlined in the Spring Garden/Queen Street Lands Plan, this is seen as a complicating factor in the funding plan for the new Library. Therefore, the question of what will be the future use for the old Library and Grafton Park and the possibility of proceeds from the old Library being used to fund the Central Library has been removed from the new Library funding strategy to eliminate any financial dependency on that property. The future of the lands and building will be dealt with in a future report to Council. Irrespective of the above, any revenue realized from this site could be earmarked for the new Central Library in the future to relieve other municipal funding sources outlined in the budget section of this report.

2. Sales proceeds from development of the adjacent parking lot lands available for redevelopment through the joint municipal/provincial land transaction should be used for development of the new library, and improvements to the public realm in that general area. The value of these parcels of land may increase with the development of a new library and it makes sense to view this as a complete financing package for the area.

A pre-development market analysis of the “Clyde Street Lots and the former Infirmary site (See Attachment A) was conducted for the Municipality by Colliers International. The study determined a potential net market value of between \$13 and \$18 million dollars (net of environmental, archeological and public parking considerations). The pre-development analysis was based on a build-out in accordance with the Downtown Halifax Secondary Municipal Planning Strategy (HRM by Design) regulations approved in 2009. These new regulations better define the development opportunities for the sites thus giving a more confident assessment of market value. The range in values is due to the ability of developers to participate in density bonusing provisions under the planning strategy. Bonusing allows for a greater density and height on the site resulting in the higher potential net market value (\$18m). Staff are recommending assigning a \$15.5 million dollar (2009 value) allocation from the land sale proceeds directly to the new Library. This amount is seen as being a moderately conservative estimate.

The pre-development analysis advised that the lands could be brought to market over a period of two to six years. Any proceeds realized in excess of what is required for the Central Library from the sale of these lands will be earmarked for other municipal improvements in the area as these vacant lands are developed. These opportunities will be dealt with in a separate report to be brought before Regional Council.

3. There should be a Provincial contribution toward capital. A new Central Library and Halifax Regional Libraries are providing support and services to other libraries around the province. In the absence of these services there would be incremental costs to the Province and others.

On April 28, 2009 Regional Council requested that the Central Library project be one of two Building Canada Fund projects for consideration under the federal/provincial/municipal program. On October 19, 2009 Minister Baird, Minister MacKay, Premier Dexter, Minister Estabrooks and Mayor Kelly announced a joint funding program for the Central Library Project with contributions of \$18.3 million federal, \$13 million provincial and \$24.3 million dollars from HRM resulting in a total project of \$55.6 million dollars. Letters confirming funding contributions from both the Federal and Provincial Governments are attached - thus meeting Council's objective of securing funding from other levels of Government.

4. Capital from Operating could be used as a down payment to fund the cost of the new Central Library, hence reducing any future principle and interest charges.

Employing Capital from Operating in the Library funding scheme for the 10/11 budget year would result in reduced capacity from HRM's capital budget and is not recommended. There is the opportunity to use capital from operating in the 2011/12 and 2012/2013 year capital budgets to a total of \$2.5 m. This is recommended by staff and can be found in the Budget Implications section of this report.

5. Debt funding will have to be considered for any remaining cost to develop the new Central Library.

The funding sources for this project have been identified without reliance on conventional debt financing, however, the timing of cash receipts from the sale of lands does not align with the anticipated construction withdrawals.

The construction of the Central Library will take place over three years (2010 - 2013) with the need for major funding draws during the design phase, construction phase, and commissioning phase. Under the Building Canada program draws are permitted from the federal and provincial contributions based on amounts billed and paid however payments can take up to a year to be received. Further, as \$15,500,000 of HRM's funding is from the proceeds from sale of lands over a period of two to six years it will be necessary to provide Construction and Bridge Financing to provide project funding while lands are being sold.

Construction Financing

The financing of the construction phase of this project will be funded through the operating fund cash flows. This is the normal process for funding projects during the construction phase. Given the size of the project is it important to note that this will result in a cumulative loss of an estimated \$1.2 million dollars in investment income to the operating fund to March

31, 2013. The actual amount will depend on the timing of construction draws and receipt of funds from our cost sharing partners as well as actual interest rates.

Bridge Financing

Bridge Financing will be provided through the Strategic Growth Reserve in the amount of \$2.5 million in both 2011-12 and 2012-13. This option minimizes the foregone investment income for the Operating Fund. As the funds from the sale of lands are realized, they will effectively be returned to the operating fund to repay the Strategic Growth Reserve.

6. There should be an adequate budget for the incremental operating costs of a new library plus a reserve to re-capitalize and maintain the asset. These costs could be met through a combination of sources including a reallocation of funds from existing budgets, redirecting funds used to pay down the library debt (once it is paid off), or a dedicated tax to help fund the project.

Increased operating costs resulting from the expansion from the current 38,000 sf building to a 108,000 sf library will not impact the Library operating budget until 2013/14. The existing operating budget for the Spring Garden Road Library will be transferred to the new facility. The incremental operating costs of \$1.8 million will be offset by increases in provincial library operating grants (\$550k) as well as \$1.25 million of capital from operating.

In addition, it is recommended that Council approve the establishment of a recapitalization reserve (see Attachment C) for this building which will be funded annually at 2% of the building costs escalated to inflation over the period, starting the year after the completion of the building (2013/14). This is consistent with “best practices” that HRM is incorporating for new major construction projects (ie. Alderney Gate, 4-Pad Arena, Canada Games Centre).

Economic/Assessment/ Community Benefits Impact

An Economic Impact Assessment was prepared by Canmac Economic Limited in July 2009 (a copy of which can be found at www.halifaxcentrallibrary.ca). The Canmac study estimated that the direct, indirect and induced benefits of a new Central Library were significant and concluded that:

1. During the construction phase the project will create:
 - Total employment of 422 jobs.
 - Total household income of \$16,752,042
 - Total Provincial Gross Domestic Product of \$40,605,371.

2. For a typical year of operation the project will create:
 - Total employment of 175 jobs.
 - Total household income of \$7,702,345.
 - Total Provincial Gross Domestic Product of \$11,102,394.

3. Over 13 years the project will create, through Federal share, incremental household income benefits of \$16,748,011.

In addition to the economic impact, the study identified that the project has significant legacy impacts. These include;

The Central Library will help to build a strong urban core, help attract and retain people, build and sustain an educated workforce, demonstrate HRM's commitment to leveraging past and future public investment, position the urban core as a competitive and liveable location, and contribute to overall economic growth. These are key objectives of the HRM Economic Development Strategy;

As culture is one of HRM's key economic industries, the Central Library will provide some of the necessary infrastructure to support and develop HRM's creative economy and aid in ensuring a vital business district. This is consistent with objectives of HRM's Regional Plan, Economic Strategy and Cultural Plan.

The Central Library, as a major anchor, will leverage the value of other properties and private and public investment in the area. These include the municipally owned Queen and Clyde Street lots. It also serves to help retain public and private investment already made in the area.

As evidenced by the Federal and Provincial funding commitment, investment in the Central Library provides an opportunity for HRM to leverage substantial contributions from other levels of government, by finding alignment of HRM's priorities with those of its federal and provincial partners.

The pre-development analysis of the Queen and Clyde Street lots, conducted by Colliers International, estimated an incremental annual tax revenue increase of \$1.5 million dollars directly to HRM. The municipality currently receives approximately \$300,000 per year in net parking revenues from the lots to be sold and utilized for the new library. The above referenced incremental tax revenues will more than offset the loss of these revenues.

The Central Library compliments municipal strategic initiatives including HRM By Design, the cultural plan, economic and immigration strategies, youth engagement, and infrastructure revitalization. It also advances Council Focus Areas of Public Safety (Youth), Community Planning, Infrastructure.

Letters in support of a new Halifax Central Library have been received from the Greater Halifax Partnership, the Spring Garden Area Business Association, and the Halifax Chamber of Commerce as well as the Downtown Business Association, Fusion and others (see attachments).

Comments on Sources of Funding

Central Library Repayment Reserve Q139

The Halifax Charter requires that all revenues from the sale of lands be deposited into the Sale of Land Reserve and, by administrative policy, HRM does not earmark these funds for any specific purpose. Given the magnitude of the Central Library project however, and the direct linkage to the Library as an anchor development for the area, Regional Council approved using the proceeds from the sale of the Queen Street and Clyde Street lands to help off-set the cost of the new library. Staff recommend creating a reserve for this purpose as an exception and on a Without Prejudice basis. The Central Library Reserve will be exempt from deductions for administrative/management costs and cannot be used as a funding source for other Reserves. (see Attachment B - Reserve Business Case).

Capital Campaign Fund Raising

Ketchum Canada conducted a Feasibility Study on behalf of the Halifax Regional Library Board in 2005, to evaluate fundraising potential for the Central Library. The study concluded that, provided Council confirmed its support and with recruitment of appropriate leadership, there were opportunities for naming rights, corporate and private donations, and donations in kind. It is recommended that the campaign establish a target of \$1,700,000 for capital construction and that further fundraising continue for the expansion of the collections since collection costs are not eligible for cost sharing under the Building Canada Fund.

Central Library Capital Campaign Reserve Q318

Council approved transfer of increased funds from the provincial library grant to the Central Library Capital Campaign Reserve Account anticipating the need to fund a capital campaign. The current account balance is \$517,000. During the design and construction project phases, the Library will transfer the balance and future additional funds from the grant to the reserve account to contribute to capital costs to the amount of \$1,700,000. When building costs have been paid, the Library will use any increased revenue in succeeding years to offset increased operating expenditures of the new facility.

Other Considerations

Area Parking Requirements

The parking requirements of the new Central Library can be accommodated within the current plan and \$55.6 million dollar budget. One of the objectives of the Spring Garden/Queen Street Lands Plan is to accommodate the current parking on the Queen and Clyde Street lots plus any requirements for the potential build out of these lands. Currently the two Clyde Street Lots and the TUNS Parking Lot (see Attachment A) allow for public parking of 330 cars. The opportunity exists to “piggy back” on the library parking structure and build additional capacity to help meet the Spring Garden District needs. This proposal and funding plans will follow in a separate area parking strategy report.

Spring Garden Area Merchants' Association

Currently the Spring Garden Area Merchants' Association manages the two surface parking lots on the Clyde Street properties. There is a management fee of approximately \$30,000 derived from the parking lot revenues which has been used to cover operating costs for the Association. Depending upon the model used for the continued provision of public parking on these lots after they are sold, a new source of funding to support the association may have to be found. This issue will be included in the above noted parking strategy report to be returned to Regional Council in the near future.

BUDGET IMPLICATIONS

The total estimated project cost of the Central Library is \$55.6 million consisting of \$35,026,000 in construction costs, \$7,605,000 in ancillaries and soft costs, \$7,149,000 in underground parking, \$452,000 for an art component, \$3,545,000 in contingency and library materials and \$1,823,000 in non-recoverable HST. Furnishings and equipment have been included in the ancillaries and soft costs.

After examining the funding options available from various sources, staff are recommending the following funding strategy:

Central Library Funding Strategy Summary:

Capital Account CBW00978 Central Library (Previously Approved)	<u>\$ 2,900,000</u>
<hr/>	
Add: Federal Building Canada Contribution	\$18,300,000
Add: Provincial Building Canada Contribution	\$13,000,000
Add: HRM Building Canada Contribution	
Proceeds from Sale of Surplus HRM Lands (Q139)	\$15,500,000
Library Capital Campaign - Fundraising	\$ 1,700,000
Capital from Operating (11/12 and 12/13)	\$ 2,500,000
<u>Library Contribution to Capital Reserve Account (Q318)</u>	<u>\$ 1,700,000</u>
Total HRM Building Canada Contribution	<u>\$21,400,000</u>
 Additional Capital Funding (including Net HST)	 <u>\$52,700,000</u>
 Total Council Approved Cost of Central Library(including Net HST)	 \$55,600,000
Less: Expenditures to date	<u>\$ 600,000</u>
Balance available	<u><u>\$55,000,000</u></u>

Operating Budget

Current estimates indicate incremental operating costs will be in the range of \$1.8m per year. This budget will be included in the Operating Cost of Capital budget for 2013/14 through transferring the annual amounts used to fund the construction project (ie: library capital campaign and capital from operating).

In addition, given the scale of the project, it is anticipated that a recapitalization reserve will be established in the year the building is complete and which will receive \$480,000 annually (2% of \$24 million building costs) from the operating fund so that funds will be available when required. It is anticipated that the net incremental tax revenues identified on page 6 of this report will offset this added cost.

Financing

Temporary financing for this project (both the construction phase and the bridge financing phase) will be provided through the operating fund cash flows and Strategic Growth Reserve. This will result in an estimated reduction of investment income of \$1.2 million over the life of the project.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating budget, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved this will increase the 09/10 Capital Budget and future withdrawals from Reserves, as these will be recorded as commitments until funds are disbursed. Finance will continue to monitor withdrawal from reserves to ensure they maintain a positive balance.

ALTERNATIVES


A number of other financing options are available but are not given here as they would impact other capital projects, operating reserves and/or the tax rate.

ATTACHMENTS

- Attachment A: Map of Queen and Clyde Street Lands
- Attachment B: Central Library Repayment Reserve Business Case
- Attachment C: Central Library Recapitalization Reserve Business Case
- Attachment D: Construction and Bridge Financing Flow Spreadsheet
- Attachment E: Letters of Support

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: Peter Bigelow, Manager Real Property Planning, IAM, 490-6047
Barb Palmeter, Sr. Financial Consultant, Financial Services , 490-7221
Kate Wall, Sr. Financial Consultant, Financial Services , 490-1342

Report Approved by: 

Phillip Townsend, Director, Infrastructure and Asset Management, 490-7166

Financial Approval by: 

Cathie O'Toole, CGA, Director of Finance/CFO, 490 -6308

Report Approved by: 

Judith Hare, CEO, Halifax Regional Libraries, 490-5868



Reserves Business Case

Halifax Regional Municipality • Corporate Services • Finance Division • 490-4446 • Fax: 490-4175

Date: March 26, 2010

Contact: Cathie O'Toole, Director of Finance, Chief Financial Officer

Central Library Repayment Reserve Q139

Purpose

The Reserve is to be used to fund HRM's commitment to the Central Library capital project. The new Central Library will replace an outdated and undersized facility with significant structural issues. This Reserve is governed by Section 120 of the Halifax Charter. Proceeds from property sold by the Municipality must be placed in a Capital Reserve and is governed by the requirements of the Halifax Charter regarding its application.

Source of Funds

Funding will be provided through the sale of specific parcels of HRM-Owned properties as outlined in the Report to Council on November 18, 2008 over a period of 2 to 10 years.

Application of Funds

Funds are to be specifically used for the capital costs associated with the construction of the Central Library. As land is sold and funds are received, withdrawals will be made from the Reserve to fund the outstanding debt and associated interest costs. The Central Library Reserve will be exempt from deductions for administrative/management costs and cannot be used as a funding source for other Reserves.

Time Line

The Reserve will to be required until all the parcels of land associated with the Central Library have been sold, approximately 2 to 10 years and will be reviewed annually.

Approval Process

All requests for withdrawals must be initiated by Director of Finance. Financial Services is responsible for ensuring availability of funds and appropriateness of expenditure in accordance with the Reserve Policy. These approvals are primarily done through the annual budget process or on an individual basis prior to being approved by Council.

Approval

CAO



Reserves Business Case

Halifax Regional Municipality • Corporate Services • Finance Division • 490-4446 • Fax: 490-4175

Date: March 26, 2010

Contact: Cathie O'Toole, Director of Finance, Chief Financial Officer

Central Library Recapitalization Reserve - Q140

Purpose

This reserve will be used to cover costs to preserve the structural integrity of the Central Library building, systems, and maintenance items.

Source of Funds

An amount of 2.0% of the estimated building costs, escalated by 2% annually to reflect inflation over the period, will be the annual contribution to the Reserve from Central Library Operating Budget. Funding will begin upon completion of the build in 2013/14.

Interest will be paid to the Reserve in accordance with the HRM Reserve Policy.

Application of Funds

Through the annual budget and business planning cycle, projects will be identified that will preserve the structural integrity of the Central Library building and capital improvements.

Time Line

The Central Library Recapitalization Reserve will be ongoing, with annual review.

Approval Process

All requests for withdrawals must be initiated by Director of Infrastructure and Asset Management. Financial Services is responsible for ensuring availability of funds and appropriateness of expenditure in accordance with the Reserve Policy. These approvals are primarily done through the annual budget process or on an individual basis prior to being

approved by Council.

Attachments

Detailed budget showing projection of annual contributions, withdrawals and balances.

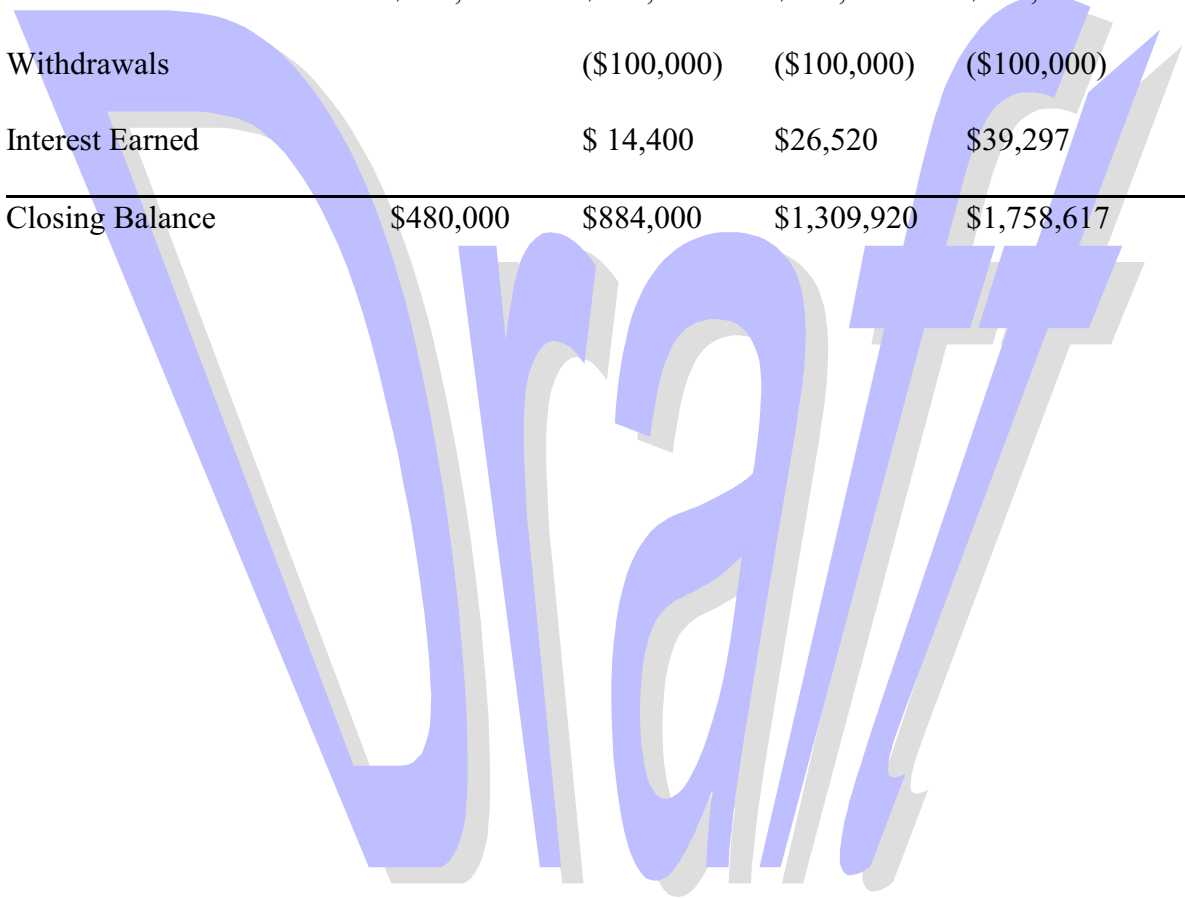
Approval

CAO

draft

**Central Library Recapitalization Reserve
Source and Application of Funds
Beginning in Fiscal Year 2013/14**

	13/14	Proposed 14/15	Proposed 15/16	Proposed 16/17
Opening Balance		\$480,000	\$884,000	\$1,309,920
Contribution	\$480,000	\$489,600	\$499,400	\$509,400
Withdrawals		(\$100,000)	(\$100,000)	(\$100,000)
Interest Earned		\$ 14,400	\$26,520	\$39,297
Closing Balance	\$480,000	\$884,000	\$1,309,920	\$1,758,617



Revised Appendix D Central Library Project

(Replaces all schedules previously included in Appendix D)

30-Mar-10

Cost	Recommendation	
Expenditure, including HST	(\$ in thousands)	
	55,000	100.0%
Financing		
Federal Funding	18,300	33.3%
Provincial Funding	13,000	23.6%
HRM Funding:		
Land Sales (Q319)	15,500	28.2%
Library Capital Campaign - Fundraising	1,700	3.1%
Funding already approved	2,300	4.2%
Library Contribution to Capital Reserve Account (Q3)	1,700	3.1%
Capital from Operating (11/12, 12/13)	2,500	4.5%
Strategic Growth Reserve	5,000	9.1%
Strategic Growth Reserve Repayment	-5,000	-9.1%
Sub-Total	<u>23,700</u>	<u>43.1%</u>
Total	55,000	100.0%
Excess/Shortage	0	0.0%

Note: Land sales in addition to the above would be used to repay interest costs and other additional costs

Note: Any additional parking (not-eligible for Building Canada Fund) would need to be approved by Council as an additional capital project

Note: Above assumes no impact on other capital projects

Minister of Transport,
Infrastructure and Communities



Ministre des Transports,
de l'Infrastructure et des Collectivités

Ottawa, Canada K1A 0N5

MAR 08 2010

His Worship Peter J. Kelly
Mayor, Halifax Regional Municipality
P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5

Dear Mayor Kelly: -

I am pleased to inform you of federal approval in principle of funding for the Halifax Central Library project. This approval is given following a successful review of your project under the terms and conditions of the Building Canada Fund.

As a result of this review, federal funding of the project from the Building Canada Fund will be up to one third (33.33 percent) of the total eligible project costs, to a maximum federal contribution of \$18.3 million.

With this approval in principle, eligible costs as determined under the terms and conditions of the Building Canada Fund and incurred as of the date of this letter will be eligible for federal reimbursement, subject to the timely execution of a contribution agreement. If a contribution agreement is not signed, the Government of Canada will not reimburse any costs incurred. The contribution agreement, when signed, represents the final step in the federal approval of the project and outlines the conditions under which federal funding will be provided.

Please note that the Government of Canada cannot contribute more than 15 percent of its funding towards non-capital or "soft costs" (which include planning and assessment costs specified in the contribution agreement, such as the costs of environmental planning, surveying, engineering, architectural supervision, testing and management consulting services). More specifically, Canada will not contribute more than \$2.745 million to these costs.

As we move to the contribution agreement stage, the following conditions will also apply:

- Federal funding from all sources (including funding from the Building Canada Fund as well as funding from any other federal program such as the Gas Tax Fund) cannot exceed 50 percent of the project's total eligible costs;

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Canada

- The Halifax Regional Municipality will demonstrate that it has secured the funds necessary to complete the project;
- Any costs incurred prior to the date of this letter are ineligible for reimbursement;
- Regardless of the outcome of any of the project tendering processes, any ineligible costs, any cost overruns, any costs associated with funding shortfalls, and any costs related to the on-going operation and maintenance of the project, will be the responsibility of the Halifax Regional Municipality;
- The Halifax Regional Municipality will satisfy Canada with respect to the competitive and transparent tendering process to be established;
- The Halifax Regional Municipality and Canada will work to complete the negotiation of a contribution agreement in a timely manner, and to this end the Halifax Regional Municipality will provide detailed and final design information, and verified cost estimates and cash flows broken down by fiscal year for all project components;
- Within 15 days of the date of this letter the Halifax Regional Municipality agrees to produce and erect temporary signage at each of the project sites acknowledging the federal government's contribution to the project, the costs of which will be an eligible cost under the contribution agreement. The signage will be produced in accordance with the design requirements to be provided by the Government of Canada, will be at least equivalent in size and prominence to other partners' project signage and remain in place until 90 days after construction is completed; and,
- The Halifax Regional Municipality will fulfill, where applicable, the requirements of the *Canadian Environmental Assessment Act* and the requirements for aboriginal consultations under Section 35 of the *Constitution Act, 1982*.

An Agreement Management Committee will be established within 60 days of the signing of the contribution agreement to oversee the agreement. Once the Committee is established, Canada will confirm its requirements and expectations for monitoring and reporting on progress.

Thank you for your collaboration to date and I look forward to continuing to work together to conclude a contribution agreement for this project in a timely fashion.

Sincerely,

A handwritten signature in cursive script, appearing to read "John Baird".

John Baird, P.C., M.P.

MAR 24 2010

Mr. Peter J. Kelly
Mayor, Halifax Regional Municipality
PO Box 1749
Halifax, NS B3J 3A5

Dear Mayor Kelly:

**RE: Canada-Nova Scotia Building Canada Fund – Major Infrastructure Component
Halifax Central Library project**

I am pleased to inform you of Provincial approval in principle of funding for the Halifax Central Library project under the **Building Canada Fund-Major Infrastructure Component** (BCF-MIC). The Government of the Province of Nova Scotia, as represented by the Minister of Service Nova Scotia and Municipal Relations, hereby advises that a contribution offer will be made under the “BCF-MIC” to the HRM (“the applicant”) for the Halifax Central Library project (“the Project”) based upon the terms and conditions contained in this letter and additional requirements in the Contribution Agreement.

Funding Amount. Contributions from the “BCF-MIC” program (the “Program”) to the Project are funded in part by the Government of Nova Scotia subject to HRM demonstrating complete financing for the project. The total contribution to the Project by the province of Nova Scotia will not exceed \$13 million of eligible costs incurred. With this approval in principle, costs determined to be eligible under the terms and conditions of the Building Canada Fund will qualify for provincial reimbursement, subject to the timely execution of a contribution agreement, and claims being submitted for eligible costs.

The contribution agreement, when signed, represents the final step in the provincial approval of the project and outlines the conditions under which provincial funding will be provided.

A summary of the total approved contribution is as follows:

Total Estimated Project Costs	<u>\$ 55,000,000</u>
Total Nova Scotia Provincial Government Contribution	<u>\$ 13,000,000</u>

Eligible Cost Dates.

Start: March 8, 2010.

Completion: March 31, 2014.

Cost Overruns. Please note that it is the policy of the “BCF-MIC” that any ineligible costs, any cost overruns, any costs associated with funding shortfalls, and any costs related to the on-going operation and maintenance of the project, will be the responsibility of the HRM.

NS Procurement Policy Applies. The intent of the Province of Nova Scotia Procurement Policy will apply to all aspects of this Project. The Policy may be viewed at:
http://www.gov.ns.ca/tenders/policy/pdf_files/ProcurementPolicy.pdf (and related links).

Environmental Screening. Please note that all projects are subject to all applicable environmental regulations and regulatory requirements.

Provincial Energy Policy. All provincially funded buildings must be designed and constructed to a minimum of LEED Silver rating as determined by the Canada Green Building Council.

Funding Agreement. The project Funding Agreement will be forwarded within the next few weeks.

If you have any questions regarding this matter, please contact Grant Brennan, Manager of Client Services, Canada-Nova Scotia Infrastructure Secretariat, at (902) 424-7416.

Sincerely,



Kevin Malloy
Provincial Co-Chair
Oversight Committee
Canada-Nova Scotia Building Canada Fund
Communities Component

cc Megan Nichols, INFC
John Rankin, ACOA



Spring Garden Area
Business Association

5670 Spring Garden Road
Suite 610
Halifax, Nova Scotia
Canada B3J 1H6

Tel 902.423.3751
Fax 902.492.0049
Email: springgarden@ns.sympatico.ca
www.springgardenroad.com

September 24, 2009

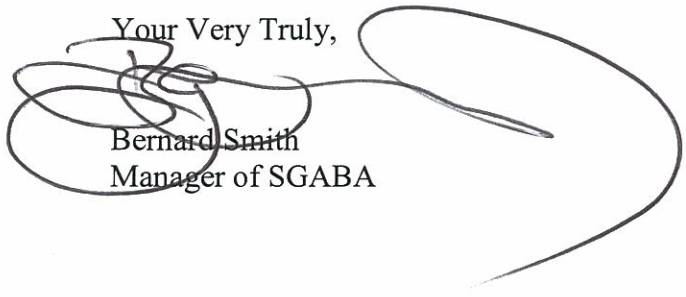
Chief Administrative Officer
Halifax Regional Municipality
PO Box 1749
Halifax NS
B3J 3A5

Re: New Central Library

Dear Mr. English,

The need for a new library facility in the Capital District is almost a given. The present facility is small, it has challenges in terms of its maintenance requirements and it is of concern from a safety and security point of view, especially with respect to the children's services area, and it is no longer meeting the service levels required of a Central Library. There are reasons for building a new library quite apart from the issues already cited, many of which are self-evident. This association wishes to bring these other less evident reasons to your attention and to add those reasons to the "Body of Persuasion", which you will undoubtedly receive concerning the need for this structure. The Capital District of the Halifax Regional Municipality has steadily lost population to the suburbs and more recently to the even less urban surrounding areas for the past sixty years. The Capital District now needs an infusion of population in order to make it work effectively, to attract population back into the Capital District, where it can be accommodated advantageously from the point of view of servicing costs to HRM. One of the most strategically important investments to be made in the Capital District will be; the investment in the new Central Library. A new Central Library will set the tone for a renewed vibrance and confidence in the Capital District. As well as serving the needs of the present population the new Central Library will act as a beacon of renewed life and will in turn serve as an example to others giving them confidence to invest in and bringing about a renewed and vibrant Capital District returning it to its proper position as a showpiece for tourism and convention destination not just for HRM but for the whole province of Nova Scotia.

Your Very Truly,



Bernard Smith
Manager of SGABA

Mayor Peter Kelly &
HRM Councillors
Halifax Regional Municipality
PO Box 1749, Halifax, NS
B3J 3A5

March 25, 2010

Your Worship and Council,

It was with great pride last year that I watched representatives of the Federal government, the Provincial government, and Mayor Kelly and Councillors stand shoulder to shoulder at the Spring Garden Road library and announce their intentions to proceed with a new Central Library for HRM, to be located at the corner of Spring Garden and Queen.

Various levels of government take responsibility for the welfare and its citizens. Often these various responsibilities do not mesh, but in the case of a library – representative of our commitment to literacy, learning, and our present and future generations – we should all be willing to invest. Libraries, when done well, are catalysts for cities. Great cities have great libraries. HRM is blessed with a network of 14 terrific community branches, but they are being held back without a strong central library. This is a community need that has been expressed time and again for over a decade. Now, more than ever, when HRM is looking to be a magnet for talent, families, and immigration, investment in an excellent library is a good investment. If it doesn't happen now, when there seems to be such strong intergovernmental support, when will it?

I urge HRM Council to move forward with this special project.

“My books are very few, but then the world is before me - a library open to all - from which poverty of purse cannot exclude me - in which the meanest and most paltry volume is sure to furnish something to amuse, if not to instruct and improve.”

- Joseph Howe

Best wishes,



Paul MacKinnon
Executive Director
Downtown Halifax Business Commission



1668 BARRINGTON STREET, SUITE 301, HALIFAX, NS B3J 2A2
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www.downtownhalifax.ca

March 11, 2010

Mayor Peter Kelly
Halifax Regional Municipality
1841 Argyle Street
PO Box 1794
Halifax, NS B3J 3A5

Dear Mayor Kelly:

Re: Support for the New City Central Library

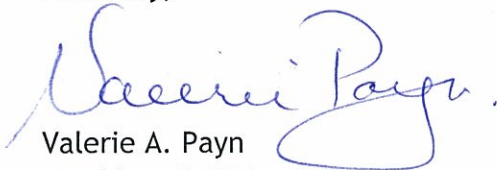
My purpose in writing this letter is to express the support of the Halifax Chamber of Commerce for the new central library project.

Every city centre needs a quality library. This is especially true today as arts, culture, education and information sharing are essential to growing our city and our economy. Currently, Halifax does not have a quality central library; in fact, our central library is barely able to provide the most basic services.

Giving the stress on city coffers, the central library project has been put on hold for more than a decade. Many of our Chamber members have expressed concern over the fact that the longer this project is delayed, the more it will end up costing tax payers. It is time to put the shovel in the ground and build Halifax a central library that a city of this caliber requires.

I look forward to hearing that this project will be supported through the Federal Build Canada Infrastructure Program.

Sincerely,



Valerie A. Payn
President & CEO

March 2, 2010

Mayor Peter Kelly
Halifax Regional Municipality
P.O. Box 1749
1841 Argyle Street, 3rd floor
Halifax, NS B3J 3A5

Your Worship:

Re: Supporting Halifax Central Library

This letter is being sent in support of the realization of the Halifax Central Library, which would act as the hub of all HRM public libraries and would dramatically improve the services provided throughout the region.

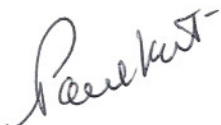
The Greater Halifax Partnership is the catalyst for economic growth and confidence in Greater Halifax, the economic hub of Atlantic Canada. We believe that forwarding projects that improve and enhance our capital district should be a top priority in support of the overall economic growth of our region. The Halifax Central Library is a perfect example of this type of project.

In collaboration with various other organizations, the Greater Halifax Partnership leads the implementation in the Halifax Regional Economic Strategy. The Strategy, unanimously endorsed by HRM Council in 2005, outlines the path of future economic development work in Greater Halifax.

The Halifax Central Library would deliver on the Economic Strategy's goal of developing a more creative community. It also supports the goal of ensuring HRM's Urban Heart is healthy and attractive as the Central Library would create a more vibrant and attractive downtown.

Investing in our infrastructures is critical if we want to expand HRM's capital district. We believe in the proposed Central Library and its commitment and positive implications within the Greater Halifax community.

Sincerely,



Paul Kent
President and CEO



Office of the President

March 16, 2010

Mayor Peter Kelly and Members of Council
Halifax Regional Municipality
1841 Argyle Street
Halifax, NS B3J 3A5

Dear Mayor Kelly and Council:

I am writing with regards to the Central Library project and the plans regarding the Memorial associated with the Spring Garden Road Memorial Public Library.

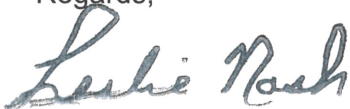
Representatives from Halifax Public Libraries and Halifax Regional Municipality met with Nova Scotia/Nunavut Command in January 2009. Plans for the future of the Memorial were discussed in anticipation of a new Central Library to be built at the corner of Spring Garden and Queen St. Based on these discussions, working principles were developed which will guide a respectful transition of the Memorial. The principles are as follows:

Working Principles:

- Halifax Public Libraries will preserve the original intent of the Memorial within the new Central Library.
- The history of the original memorial will be preserved and easily accessible
- The Memorial Book will be included in the new Central Library and will remain on display
- A rededication ceremony of the Memorial will be held with the opening of the Central Library.
- Consideration will be given to an exterior designation, either outside of the Central library or on the original site, relating to the Memorial
- Consideration will be given to commemorating the Memorial in a room, or an area, in the new Central Library.
- Consideration will be given to developing an additional Memorial book with lists of war dead in subsequent conflicts.
- All plans for the transition of the memorial will be developed in consultation with the Nova Scotia/Nunavut Command, The Royal Canadian Legion.

The Command wishes to assure members of Council and the community that it is pleased with these principals. The Command looks forward to working with the Central Library planning team to ensure that the intent of the Memorial is preserved and that the Memorial continues to have a place of respect.

Regards,



Leslie Nash
Command President

We Serve Those Who Have Served



March 19, 2010

Your Worship and Council:

We are writing to inform you of FUSION Halifax's support for the proposed central library project.

FUSION is an organization comprised of young Halifax residents who are inspired to make their city a better place to live, work and play. Our goal is to *think and act differently to create the most vibrant city in Canada*. Since its inception, FUSION has grown to roughly 1,800 members and is committed to helping our city grow in a constructive and intelligent way.

A new central library could be a case study of the creativity and innovation needed to take our city to the next level. Projects that exemplify positive growth are what make Halifax a world-class city that will attract and retain young talent. This project's alignment with HRMbyDesign, a plan the municipality approved and FUSION supported, makes it that much more significant. The new library will be a shining example of how a well laid out plan with a clear vision can change things for the better.

This iconic building will be an integral piece of creating a whole and vibrant downtown. Please join us in supporting the new central library project.

Sincerely,

ORIGINAL SIGNED BY

Cheryl Stewart, Chair

ORIGINAL SIGNED BY

Level Chan, Vice Chair



Dear Mr. Mayor and City Council,

The Writers' Federation of Nova Scotia is located on Marginal Road, just a hop, skip and a jump away from where thousands of tourists stream off of cruise ships and past our doors in the summer season. Many visitors to our downtown choose guided tours to quickly acquaint themselves with our downtown core. Others, however, choose to wander the streets by themselves, in search of the special little surprises our city can offer to the curious. Yet many among this group, on their way back to their ship, stop in to our office to ask a now-familiar question:

“Just where *is* your downtown?”

I often tell them that they've already been there, yet that's not much of an answer. Since the first news broke of a potential new central library in our downtown core, I have longed to be able to say to these people, “Seek out the beautiful building on the corner of Queen and Spring Garden. *That's* the hub of our downtown.”

As has been noted in the many public forums and discussions relating to this issue, a library can instantly define and elevate a city's profile, as has been seen from Salt Lake City to Seattle. Not only does it make a statement to the larger world; to tourists who disembark from cruise ships and other visitors here for both business and pleasure, but it makes a statement to a town's own populace. It says that we are interested in giving them a place to meet, to learn, to rely on, to take pride in. The list of assets to our city that a central library would provide are too long to enumerate here, have been stated and restated ad infinitum at this point, and should go without saying to anyone who has even the bare minimum of awareness as to the building blocks of a healthy city.

Two years ago I hosted the President of the Canadian Library Association as he conducted his annual cross-country outreach. I had the dishonor of being told that the Spring Garden Road branch was “*Far and away the most shameful central library site I have seen in this country.*” Let me reiterate: this came from the President of the Canadian Library Association. As a cheerleader for all things literary in Nova Scotia, it hurt my heart to hear this, yet I had no choice but to nod in agreement.

Naturally, this issue has long been on the minds of the more than 800 members of the Writers' Federation of Nova Scotia. I speak on their behalf – and not as some vaguely defined “cultural component”, but as the real people who tell our stories in novels, newspapers, blogs, memoirs – you name it. I know for a fact that they would love to tell the story of a new and proper central library, as would I.

In Faith,

Nate Crawford
Executive Director, Writers' Federation of Nova Scotia

Halifax Community Learning Network
#523, 1657 Barrington St.
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hcln@ns.sympatico.ca / 422-7648

March 23rd, 2010

Mayor Peter J. Kelly
P.O. Box 1749,
Halifax, Nova Scotia
B3J 3A5

Dear Mayor Kelly,

On behalf of the Board of the Halifax Community Learning Network (HCLN), I am pleased to write this letter of support for the proposed Halifax Central Library, which is intended to replace the Spring Garden Road Memorial Library.

HCLN is a registered not-for-profit organization that was established in 1994 to provide free adult upgrading programs in the Halifax Regional Municipality. Over the years, HCLN has helped hundreds of individuals improve their literacy levels, achieve their GED, increase their employment skills and become more active members of our community. HCLN students have won PGI (Peter Gzowski Invitational) and Canada Post Literacy Awards and HCLN tutors have been recognized both regionally and provincially for their efforts, including through HRM Volunteer Recognition Awards.

Much of this success can be attributed to the longstanding partnership between HCLN and the Halifax Public Libraries (HPL). Libraries play a fundamental role in education and literacy and the HPL has shown a strong level of commitment to this organization and to the community by supporting lifelong learning for library users of all ages. This support includes organizing and providing space for programs, meetings and professional development events, and developing an excellent collection of adult education resources at several locations including the Spring Garden Road Memorial Library.

Unfortunately, over the years, this location has become extremely over-utilized and the literacy program has outgrown the present area provided. With so many groups competing for space, HCLN has been forced to limit the hours during which we can provide much-needed upgrading and many students have remained on the waiting list for the one evening per week

that we can access the shared program space. In a province where 40% of adult Nova Scotians struggle with literacy issues, it is vital that we are able to serve students in a comfortable learning environment as quickly as possible. Due to the present space constrictions and heavy use of the Spring Garden Road Memorial Library, HCLN has missed out on training opportunities for staff, volunteers and students. Without a private Information Technology room, or any suitable classroom space, those who are most in need of instruction are left behind. A new Central Library would address this need and provide valuable community space for educational programs, cultural events and more.

Public libraries play a vital role in promoting all aspects of education in our community. A new Central Library would provide users with access to enhanced communication tools and new sources of information, as well as the space and training to utilize them. It would also help to revitalize the downtown area of this city and bring more pedestrian traffic to struggling businesses.

If HRM is to continue to be a vibrant community dedicated to lifelong learning, we need to invest in the future by supporting a new Halifax Central Library.

Sincerely,

Constance Glube
Honourary Chair
Halifax Community Learning Network



Mayor Peter J. Kelly,
Halifax Regional Municipality
Office of the Mayor
1841 Argyle Street
P.O. Box 1749
Halifax, Nova Scotia
Canada
B3J 3A5

March 25, 2010

To Mayor Kelly and Halifax Regional Municipality Council,

I am writing to you to express the support of ISIS for the Central Library project.

ISIS, formerly MISA and HILC, have a long and successful history of working together with the Halifax Regional Library in helping immigrants to integrate into Halifax Regional Municipality. Libraries are an essential support and service to immigrants and are a safe and welcoming place in the community, places that offer services, information and referrals to assist newcomers with the often overwhelming task of navigating systems and resources.

In the past ten years the libraries in Halifax have offered additional services to newcomers and ISIS has witnessed a noticeable increase in the number of immigrants using, for example, the Keshen Goodman Library, which now has more services, more books and materials for English as a Second Language learners and in different languages. As the Central Library project has been described to us, it would provide similar resources and services to immigrants in the downtown area and we know that ISIS' clients would very much welcome such a Central library downtown. ISIS looks forward to working in close collaboration with the Halifax Regional Library as the project proceeds.

On behalf of ISIS, I am writing to offer our full support to the Central Library Project. I hope that my comments are of assistance to you. If you need further information or clarification, please contact me.

Sincerely,

Gerry Mills
Director of Operations