

HALIFAX

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Item No. 02
Halifax Regional Council
May 24, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by 

Jane Fraser A/Deputy Chief Administration Officer

DATE: May 16, 2016

SUBJECT: Progress Update on Cogswell Redevelopment Program

INFORMATION REPORT

ORIGIN

At the May 13, 2014 Regional Council meeting, Halifax Regional Council passed a motion to:

1. Approve The Cogswell Lands Plan as the guiding document for the next stage of work for the removal and re-design of the Cogswell Interchange.
2. Approve the functional road network as proposed in the Cogswell Lands Plan.
3. Direct staff to initiate the following work and return to Council as required:
 - a. Communicate the Cogswell Lands Plan, as approved, to the public, adjacent landowners and future developers through the municipal website, individual meetings and a public open house held in conjunction with the Strategic Urban Partnership.
 - b. Proceed with the Detailed Design for the demolition and redevelopment of the Cogswell Interchange including issuing Requests For Proposals to retain necessary expertise. (current status)**
 - c. Enter into negotiations for land acquisitions required to advance the Cogswell redevelopment.
 - d. Prepare a financial plan for the demolition and redevelopment of the Cogswell Interchange.
 - e. Commence preparations for Municipal Planning Strategy /Land Use By-law amendments and necessary street closures as per the HRM Charter.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, Section 61, Powers of the Municipality regarding property; Section 63, Sale or lease of municipal property; and Section 233, Acquisition of land for development.

Halifax Regional Council Administrative Order 50; Disposal of Surplus Property.

BACKGROUND

In 2012, HRM commissioned a lands plan for the potential redevelopment of the Cogswell Interchange. This plan was completed by Ekistics Planning & Design with the assistance of Colliers International, SNC Lavalin Engineering, OCL Services as well as David MacIntyre & Associates. The resulting Cogswell Lands Plan was approved by council in 2014 as the guiding document for the next stages of the project. In September 2015 HRM brought in John Spinelli to act as Project Director to oversee the continued

development of the project. This information report is an overview and update of the progress in several areas; schedule, procurement, internal and external stakeholder engagement, district energy systems, risk management and land ownership/survey issues.

DISCUSSION

Overview of the Program

The Cogswell Redevelopment Program is a collection of projects and initiatives generated from the Cogswell Lands Plan. The vision provided in the chapter 4 of the Cogswell Lands Plan is carried throughout the Program and will be present as further technical analysis, planning policy, regulation, and land transactions are completed.

The success of the Cogswell Redevelopment Program will depend upon the successful completion of a number of smaller projects

- Land Use Planning for the Cogswell Precinct,
- Public Realm Improvements,
- Release (sale) of the Land for Development, and
- Construction of the street infrastructure including transit requirements

These projects are led by internal as well as external resources, all under the oversight of the Project Director. Additionally, the Project Director, with support from other internal business units, will oversee the deconstruction of the Cogswell Interchange and reconstruction of new municipal infrastructure. Support will be provided from Planning & Development, Transportation and Public Works, Halifax Transit, and Operations Support. The following section gives an overview of the work that is to be carried out under each of the project headings. Attachment "A" presents a timeline for Program elements' commencement and estimated duration.

Real Estate – led by Corporate Real Estate within the Operations Support Business Unit. The Cogswell Lands Plan proposes the creation of nineteen (19) development sites. Of these sites, ten (10) are directly owned by HRM, one is co-owned with a private developer with the remainder controlled directly by local developers.

The area allocated for residential use can accommodate approximately 1,650 new units of housing. An independent Market Assessment report has been delivered to indicate how the local real estate market may respond to the release of new land parcels for development within the Cogswell corridor and other parts of the Regional Centre.

Economic environments and market conditions continue to change. Due to the long lead time for the build out and release of the land Corporate Real Estate will continue to monitor market conditions over the life of the Program to ensure that the land is released for development on a schedule that best satisfies the Municipality's objectives.

In the near term Corporate Real Estate will conduct a refresh of the market assessment that was carried out by Collier's International as part of the 2014 Report to Council. The intent of this update will be to enable council to make an informed "go/no-go" decision with respect to the objective that the revenue from the sale of the land offsets the cost of redevelopment.

Land Use Planning

The proposed Cogswell Redevelopment Program was developed with the current Downtown Halifax Secondary Municipal Planning Strategy (DHSMPS) and Land Use By-Law (LUB) in mind. Within the DHSMPS and the Cogswell Redevelopment Program policy direction is provided for;

- The maximum heights framework which provides a rational and balanced height pattern resulting from the synthesis of a complex set of urban design considerations tailored to the downtown Halifax context.
- The envelopes framework which establish the height and massing of new developments in the downtown. These envelopes were derived from a comprehensive process of exploration and testing and embody a complex and layered set of urban design considerations for low, mid and high rise building envelopes.
- Streetwall character is primarily concerned with providing guidance for how buildings should interface with the sidewalk and the quality of the enclosure they provide to the street. The placement, scale and design quality of the building's streetwall determines the nature and character of the streetscape and reinforces desired pedestrian or broader public realm objectives.
- Heritage character identifies the variety of heritage resources and contexts that currently exist in the downtown that should have priority consideration where impacted by a new development. These resources are a legacy of the area's rich and proud history and comprise the most significant aspect of the downtown's distinction.

Specific policies and regulations for the Cogswell district will be updated and adopted as technical details of the redevelopment plan are finalized through the ongoing study of the project. The technical details with respect to the road network and block structure is necessary to understand the full impact on the Urban Design of the district. The necessary amendments to the DHSMPs will be advanced once this is confirmed. The structure of the DHSMPs and LUB make these changes possible.

Public Realm Improvements

A public event was previously staged by the Strategic Urban Partnership in 2013 with the objective of adding detail to previous public discussions regarding the potential redevelopment of the Cogswell Interchange. The goal was to sample the public enthusiasm for the project and understand what public objectives the Program could advance. The output from this session was the 2014 Cogswell Shake-up report. Objectives from this engagement have been incorporated into the Cogswell Lands Plan which creates new barrier-free connections that will extend the existing Active Transportation path around the Casino as an effective starting point to the Halifax boardwalk. The redevelopment will introduce design features at grade such as separated use cycle paths, ground / pedway connections, ground floor commercial uses and a variety of open spaces and parks. Linking the Brunswick Heritage Area, Gottingen Street and the residential neighbourhood that surrounds those corridors to the downtown and waterfront is a core objective and principle of the Cogswell Lands Plan. The Cycle Path will become a preferred route for cyclists and the boardwalk provides a pedestrian link between downtown and the northern neighbourhoods.

As the Program moves forward, additional public and stakeholder consultation will be held particularly around traffic implications, open space design, DHSMPs and LUB amendments. The Cogswell Lands Plan also envisioned a new open-air Transit Hub capable of staging up to 16 buses at one time with optimized, barrier-free pedestrian connectivity to the Halifax Ferry terminal. This concept will be vetted with Halifax Transit as they continue to roll out the Moving Forward Together Plan.

Communications

It is important to keep the public, adjacent landowners, and potential private developers informed of the Cogswell Redevelopment Program as it develops. Considerable efforts have been extended in order to introduce the Cogswell team to a wide ranging group of internal business units and external stakeholders.

Upcoming commitments include a public information session and website to communicate decisions and direction as well as outline future requirements for public and stakeholder input. An upcoming community engagement forum will be held with the Planning & Development and the Cogswell Team members to update the public concerns and aspirations for the Cogswell Redevelopment Program.

Continuing through the project, HRM will host additional engagement sessions to ensure the redevelopment continues to address the public's intention for the Cogswell Program.

CONSTRUCTION PROJECT COMPONENTS

Overview

The successful implementation of the Cogswell Redevelopment Program requires careful planning to safely remove large structures within the core of Downtown Halifax while maintaining access through the area for traffic, creating viable development blocks as work progresses, and maintaining access to adjacent businesses. The existing structures include three bridge structures and a network of retaining walls. Phasing has been designed to accommodate the needs of all stakeholders, and to efficiently reconstruct the Cogswell District. Three sub-phases have been identified that allow for consideration of what will be a complex implementation process. The phases are identified as follows;

Phase 1: Construction of the Northern Gateway Roundabout which connects Barrington Street, Cornwallis and Valour Way. During this phase, the east west connector roads – Cornwallis and Proctor Streets would be constructed.

Phase 2: Cogswell Street Re-construction incorporates the demolition and partial construction of the new Cogswell Street at the centre of the site as well as the Upper Water Street area near the Halifax Marriott (southerly area of the site).

Phase 3: Barrington Street Re-Construction consolidates the demolition and construction of the remaining sections of the new Cogswell Street and Barrington Street at the centre of the site as well as the east-west connector street between the Delta Halifax and Purdy's. This represents the primary block at the centre of the site.

District Energy Initiatives

While the Cogswell Redevelopment Program does present an opportunity for installation of underground services, a plan, scope and budget needs to be consolidated by HRM in time for the Design Consultants to incorporate this into the final Cogswell design brief. Although it is still fairly early in the program, this effort will require a long timeline for development, therefore the window to accommodate this initiative is relatively narrow. Halifax Water has commissioned an engineering feasibility study for district services in the Cogswell area which closed on January 19, 2016. The successful proponent was DEC Engineering and their preliminary report was received by March 31st, 2016 with the final report issued April 30, 2016. The Cogswell team will remain involved with the process and assist Halifax Water in pursuing this important objective. The preliminary finding from the independent engineering feasibility study indicates there exists a reasonable case for district energy in the form of enhanced heat recovery from the waste water effluent streams. This waster energy could provide sufficient heating and cooling to the proposed real estate development properties within Cogswell.

Stakeholder Review

Numerous internal HRM stakeholders have contributed to, and will continue to contribute to, key areas of design requirements in order to ensure that the foundational basis of the program is understood by the Prime Design Consultant. The scope of work and final contract are being compiled by the Cogswell team, procurement, legal, risk & insurance and as well as technical representatives from all of the relevant

Business Units. The internal stakeholders will have varying levels of initial, ongoing and advisory capacity levels of inputs as the program progresses through Pre-Design award and Design Development. Initial meetings with these organizations has already occurred and subsequent follow-up meetings to better understand the stakeholder concerns and requirements will continue as the Traffic Consulting Services and Prime Design Consultant are brought onboard and Design Development progresses. Additionally regular informational updates will be issued to all stakeholders so that the general program progression and timelines are understood and that any new concerns from the stakeholders can be investigated and responded to in a timely manner. Considerable efforts have additionally been extended to introduce the Cogswell team to a wide ranging group of external stakeholders. Initial meetings with these organizations have already occurred and subsequent follow-up meetings to better understand the stakeholder concerns and requirements will continue as the Prime Design Consultant is on-boarded and Design Development progresses. There currently exists significant good will towards the program from these stakeholders and it is paramount that they remain involved to ensure their concerns are understood by the design team so that concerns can be properly mitigated in the design phase to the extent possible.

Schedule

A Program such as the Cogswell Street Redevelopment Program's success depends on the preliminary work and preplanning that is carried out prior to beginning the actual design and construction phases of the Program. As such, a detailed Work Breakdown Structure (WBS) schedule had been compiled for task analysis on a fine-grained basis. At the December 17, 2015 meeting of the Community Council it was determined that future schedule progress should be reported to Council based upon the Program progress chart developed by Ekistics in 2014. This schedule was compiled in 2014 and included milestone dates that were not reflective of the actual commencement date and timelines involved. The schedule has since been modified in order to reflect the progress of the Program while still adhering to the process oriented style and graphical task representation of the original. The Cogswell Redevelopment progress chart is attached as an appendix A to this report.

Progress

The procurement of the Prime Designer will be a large value award with significant "profile" within the local Engineering/Architectural market. For this reason, the oversight of an independent third-party **Fairness Monitor** was required to ensure that complete objectivity and adherence to the approved procurement strategy is maintained throughout the tendering, evaluation and award phases for the Prime Design Consultant tender. The RFP documents for the Fairness Monitor were compiled by the Cogswell team and HRM procurement and released for tender on January 26, 2016. The Fairness Monitor contract was awarded to P1 Consulting Ltd on February 28, 2016. Several meetings have been held with the Cogswell team and P1 Consulting and they have been reviewing the RFP procurement templates as well as the specific scope of work for the Prime Design Consultant. Additionally, we will rely on P1 as the Fairness Monitor to determine what role Ekistics may perform in the upcoming tender for the Prime Design Consultant to ensure conflicts of interest are avoided.

The retention of **Traffic Consulting services** is critical in performing early analysis of the traffic flow conditions ahead of onboarding the Prime Design Consultant. It is intended that this study will provide HRM staff with detailed analyses and information to assist in determining how to move forward with the proposed road network modifications and to provide planning input to the Prime Design Consultant once retained. The study will provide an operational assessment of the area street network, with and without modifications, to ensure the traffic demands resulting from the Cogswell Redevelopment Program can be accommodated along with other planned developments in the area. The Traffic Consulting RFP was compiled with input from the Cogswell team, procurement, legal, infrastructure planning, traffic management, transit & urban design groups. The RFP for Traffic Consulting Services was released for tender on February 26, 2016 and closed March 29th with two qualified bid responses. CBCL Limited's proposal scored highest overall with an award made to them for \$237,926

An additional requirement for the Program is the engagement of **Surveying Services**. The existing properties within the Precinct 8 boundary of the Cogswell lands consist of multiple lots with outdated boundary identifiers. The requirement is to produce a boundary plan of the Cogswell Program area and right of way of the existing Cogswell Interchange as well as any encroachments, easements and rights of

way affecting the parcel and immediately adjoining the boundaries of the parcel. The Surveying Services RFP was compiled with input from the Cogswell team, procurement, legal, surveying and project planning & design groups. The RFP for surveying services was released for tender on February 19, 2016, closing on March 8, 2016 with proposals from five (5) organizations received. The highest overall scoring respondent was WSP Engineering for the surveying services.

The major pending procurement initiative is the **Prime Design Consultant**. The RFP, scope of work and final contract are being compiled by the Cogswell team, procurement, legal, risk & insurance and as well as technical representatives from all of the relevant Business Units. This will be a significant document once released and is expected to generate responses from across Canada. The anticipated release date for the Prime Design Consultant RFP is late May, 2016. Following a 12-14 month anticipated design window, it is expected that the Construction Contractor can be secured for late summer of next year with initial construction efforts beginning fall, 2017.

FINANCIAL IMPLICATIONS

The Cogswell Redevelopment plan currently has an anticipated budget of \$ 61,750,000. This is a class "D" estimate based upon the Cogswell Lands Plan. Program cost will be frequently reassessed as the design development progresses with a final budget being presented to council prior to engaging construction services. The overall program budget has been allocated by both year and category for the duration of the Program. This Program budget indicates cash flow for capital expenditures through to the end of 2020 for both internal staffing and external consultants and service providers during pre-design, design, pre-construction and construction phases. Construction contingency funding is incorporated by year. The initial contract budget is currently predicated upon a class D level estimate from the 2014 Ekistics report. Further cost certainty will be gained during the 12-14 month long design phase. The engagement of a professional Cost Consultant is required in order to provide real-time cost certainty as the design progresses through 30, 60 and 90% Design Development. As per the commitment made in the original Council motion, the Cogswell team will report back to Regional Council at the 60% Design Development stage to obtain a "GO/NO GO" decision. The output from the Cost Consultants will guarantee the most up to date and accurate statement of program cost and anticipated revenue for a final council review prior to proceeding to market for the Construction Services provider.

COMMUNITY ENGAGEMENT

This project is about city building, which must take into account the desires of its citizens, every bit as much as the realities of cost, infrastructure and market forces. The Cogswell Lands Plan is based on public feedback collected over a 10-year period, including feedback gathered at the Cogswell Shake Up, a public engagement session hosted by the Strategic Urban Partnership and Mayor Mike Savage in 2013.

Now that Regional Council has approved the Cogswell Lands Plan, the Cogswell Redevelopment Program can proceed; as part of this there will be further opportunities for public engagement later this year on other aspects of the project, including new open spaces, planning regulations and the design review.

ATTACHMENTS

Attachment A – Cogswell Redevelopment Program Progress Chart
Attachment B – Ekistics 2014 Original Timeline

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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Cogswell Redevelopment Program

Progress Chart



