

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No.14.1.8
Halifax Regional Council
June 13, 2017

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: June 1, 2017

SUBJECT: **Case 20848: Incentive or Bonus Zoning Agreement – Mixed-Use
Development at 1721-1735 Lower Water Street, Halifax (Queen’s Marque)**

ORIGIN

- December 1, 2016 Design Review Committee approval of the qualitative elements of the substantive site plan approval application for the mixed use development at 1721-1735 Lower Water Street, Halifax
- Construction Permit Application No. 159324.

LEGISLATIVE AUTHORITY

- *Halifax Regional Municipality Charter:*
 - Section 245A(1): Where a municipal planning strategy so provides, a land-use by-law may provide for incentive or bonus zoning agreements respecting the HRM by Design Downtown Plan Area;
 - Section 245B(1): The Council may, by resolution, adopt or amend an incentive or bonus zoning agreement; and
 - Section 245C(1): An incentive or bonus zoning agreement is in effect until discharged by the Council.
- Section 12, Downtown Halifax Land Use By-law (LUB) (Attachment A)

RECOMMENDATION

It is recommended that Halifax Regional Council adopt, and authorize the Mayor and Clerk to enter into and execute, the Incentive or Bonus Zoning Agreement as provided in “Attachment B” of this report for the mixed-used development at 1721-1735 Lower Water Street, Halifax.

BACKGROUND

The developer, The Armour Group Ltd. on behalf of the property owner, the Waterfront Development Corporation Ltd., proposes to develop a 10-storey mixed-use building located on lands and water lots along the Harbour side of Lower Water Street between George Street and Prince Street, known as 1721-1735 Lower Water Street. The proposed 10-storey mixed-use building will include the following:

- Ground floor retail-commercial and restaurant uses (approximately 3,716 square metres);
- Office space on floors 2-8 (northern wing; approximately 10,684 square metres);
- 110 hotel rooms on floors 2-5 (southern wing);
- 130 dwelling units on floors 2-10 (central and southern wings);
- Underground parking with 318 vehicular parking spaces for the residential units, office tenants, hotel patrons, as well as the general public.;
- 2.24 acres dedicated to new public open space (including new boardwalk, three new public plazas, the “Rise Again” rooftop, and the Queen’s Landing slipway).

Proposed Public Benefit

Within the Downtown Halifax Plan Area, maximum permitted building heights may only be attained when a developer provides a public benefit. Where a public benefit is not provided, the developer may only build to a lower building height. This approach is often referred to as “density bonusing” but is enabled under the *Halifax Regional Municipality Charter* as “bonus zoning.” A list of eligible public benefits is found in subsection 12(7) of the LUB (Attachment A).

The proposed project exceeds the pre-bonus height of 26 metres for a portion of the central and southern wings of the building; therefore a public benefit contribution is required. The proposed public benefit includes the provision of publicly accessible amenity or open space, public art, and exemplary sustainable building practices.

Role of Design Review Committee, Development Officer & Council

Under clause 4(13)(c) of the LUB, the Design Review Committee (DRC) is responsible to provide the Development Officer with advice on matters pertaining to bonus zoning in relation to substantive site plan approvals. The DRC’s advice is provided in the form of a recommendation on the public benefit category for the development at the time the Committee makes its decision on the substantive site plan application.

The Development Officer is responsible for determining if a proposal meets the land use and built form requirements of the LUB. Subsection 12(9) of the LUB requires that prior to the issuance of a development permit requiring a public benefit; the developer must enter into an agreement with the Municipality to specify the terms and conditions by which the public benefit is to be provided.

The *Halifax Regional Municipality Charter* requires Council approval of the adoption of an incentive or bonus zoning (public benefit) agreement. This report seeks to obtain Council’s approval of the agreement.

DISCUSSION

The LUB requires projects that exceed the maximum pre-bonus height limitations provide a public benefit as part of the project. The developer proposes that the public benefit contribution be in multiple forms in the categories of publicly accessible amenity or open space, public art, and exemplary sustainable building practices. The DRC recommended that the Development Officer accept the public benefit as proposed and specifically, their motion in this regard is as follows:

*“MOVED BY Ms. Sampson, seconded by Mr. Conley, that the Design Review Committee:
4. Recommend that the Development Officer accept the provision of publicly accessible amenity or open space, the provision of public art, and the provision of exemplary sustainable building practices as the post-bonus height public benefit for the development. MOTION PUT AND PASSED”*

Public Benefit Details

The LUB lists the required public benefit categories, and establishes a public benefit value that is the equivalent of \$4.52¹ for every 0.1 square metres of gross floor area created by extending above the pre-bonus height. The maximum pre-bonus height for the proposal is 26 metres while the post-bonus height is 34 metres. The gross floor area to be gained is approximately 8,225 square metres. A calculation of the value of the required public benefit is approximately \$371,770.

The proposal from the developer to provide approximately \$2,294,000 in value relative to the public benefit categories by providing publicly accessible amenity or open space, public art and exemplary sustainable building practices exceeds the LUB’s minimum public benefit requirement.

Therefore, staff recommend that Regional Council adopt, by resolution, the Incentive or Bonus Zoning Agreement as provided in Attachment “B” of this report for the mixed-use development located 1721-1735 Lower Water Street, Halifax.

FINANCIAL IMPLICATIONS

The HRM costs associated with processing this application can be accommodated within the approved operating budget for C420 Subdivision & Land Use.

RISK CONSIDERATIONS

There are no risks associated with the recommendation contained within this report.

COMMUNITY ENGAGEMENT

Community Engagement as described by the Community Engagement Strategy is not applicable to the public benefit contribution component of the site plan approval process.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVE

1. Regional Council may choose not to enter into the Incentive or Bonus Zoning Agreement as provided in “Attachment B” of this report. This would delay construction of the project as scheduled,

¹ Amount adjusted in 2016 as per the Statistics Canada, Province of Nova Scotia Consumer Price Index

necessitate further submissions by the developer, and require advisement by the Design Review Committee, as well as a supplementary report from staff.

ATTACHMENTS

Attachment A Section 12 (7) of the LUB Public Benefit Categories
Attachment B Incentive or Bonus Zoning Agreement

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

Report Prepared by: Andrew Faulkner, Development Officer/Principal Planner, 902.476.2982

Report Approved by: Original Signed
 Kelly Denty, Manager, Current Planning, 902.490.4800

Original Signed
Report Approved by: Bob Bjerke, Chief Planner & Director, Planning and Development, 902.490.1627

Attachment A

Section 12(7) of the LUB - Public Benefit Categories

- (7) Subject to meeting all applicable requirements of this By-law, development pursuant to subsection (1) shall be permitted where the developer provides one or a combination of the following public benefits:
- (a) where the development includes a registered heritage property which is to be maintained, the reservation or enhancement of the heritage resource;
 - (b) the provision of publicly accessible amenity or open space, where a deficiency in such spaces exists;
 - (c) the provision of residential units at a subsidized cost to contribute to housing affordability in the Downtown Halifax Secondary Municipal Planning Strategy plan area;
 - (d) the provision of 3 and 4 bedroom units with direct access to outdoor amenity space;
 - (e) the provision of rental commercial space made available at a subsidized cost for arts or cultural uses;
 - (f) the provision of public art;
 - (g) the provision of public parking facilities, where a deficiency in such facilities exists;
 - (h) investment in public transit or active transportation infrastructure;
 - (i) the provision of exemplary sustainable building practices.
 - (j) the undergrounding of overhead electrical and communication distribution systems.
(RC-Dec 13/11;E-Mar 10/12)**

Attachment B – Incentive or Bonus Zoning Agreement

THIS AGREEMENT made this ____ day of _____, A.D., 2017.

BETWEEN:

WATERFRONT DEVELOPMENT CORPORATION LTD., a body corporate,

(hereinafter called the “Developer”)

OF THE FIRST PART

- and -

HALIFAX REGIONAL MUNICIPALITY, a body corporate,

(hereinafter called the “Municipality”)

OF THE SECOND PART

WHEREAS the Developer is the owner of the Property and has proposed a Development that exceeds the maximum pre-bonus height identified on Map 4 of the Land Use By-law;

AND WHEREAS Section 12 of the Land Use By-law requires that a Public Benefit be provided on the Property being developed for all or part of any storey of the Development above the Pre-Bonus Height;

AND WHEREAS it is feasible to provide the Public Benefit required by the Land Use By-law on the Property being developed;

AND WHEREAS on December 1, 2016 the Design Review Committee approved the Development and recommended to the Development Officer of the Municipality the acceptance of publicly accessible amenity or open space, the provision of public art, and the provision of exemplary sustainable building as the Public Benefit for the Development;

AND WHEREAS by approving this Agreement, the Council of the Municipality has accepted publicly accessible amenity or open space, the provision of public art, and the provision of exemplary sustainable building as the Public Benefit for the Development;

WITNESS THAT in consideration of the benefits accrued to each Party from the mutual promises and covenants herein contained and the sum of \$1.00 now paid by the Developer to the Municipality (the receipt and sufficiency of which is hereby acknowledged), the Parties hereto agree as follows;

Definitions

1. In this Agreement all words shall carry their ordinary meaning except those defined in the Land Use By-law and, unless the context otherwise requires, the following words shall have the following meanings:

- (a) “Council” means the Council of the Municipality;
- (b) “Development” means a ten (10) storey mixed use building on the Property;
- (c) “Employee” includes all the agents, servants, employees and officers of the Municipality;
- (d) “Land Use By-law” means the *Downtown Halifax Land Use By-law*, as amended from time to time;
- (f) “Property” means the land(s) and land covered by water comprising the site where the Public Benefit is to be provided being 1721-1735 Lower Water Street and more particularly set out in Schedule “A” attached hereto;
- (g) “Public Benefit” means:
 - (i) one or a combination of the public benefits provided by the Developer pursuant to subsection 12(7) of the Land Use By-law; and
 - (ii) as agreed to by the Parties pursuant to section 2 of this Agreement.

Public Benefit

2. The Parties agree that the Developer will provide publicly accessible amenity or open space, the provision of public art, and the provision of exemplary sustainable building as the Public Benefit required under subsections 12(1) and 12(7) of the Land Use By-law for the Property and as more particularly described in Schedule B. Prior to its installation, the public art location, design and construction shall be approved by the Development Officer.

3. The Developer agrees to provide the Public Benefit in accordance with Schedule “B” in exchange for exceeding the Maximum Pre-Bonus Height for the Property.

Term of Agreement

4. This Agreement is in effect until discharged by Council.

Reporting of Public Benefit

5. Prior to the issuance of the Occupancy Permit, the Developer agrees to provide a report to a Development Officer of the Municipality confirming that the Public Benefit has been completed.

Benefit

6. The Developer agrees:
 - (a) to install, construct and maintain the Public Benefit:
 - (i) at its own cost;
 - (ii) in a good and workmanlike manner;
 - (iii) in accordance with all the drawings, attached as Schedule "C";
 - (iv) as sustainable building practises; and
 - (v) in compliance with all applicable laws; and
 - (b) to complete construction of the Public Benefit which shall be completed at the time of the issuance of the first Occupancy Permit on the Property pursuant to the *Building By-law* (HRM By-law B-201).

Restoration of Public Benefit During The Term of the Agreement

7. If, at any time during the term of this Agreement:
 - (a) any of the Public Benefit fails to function or fails to function properly, in whole or in part, or
 - (b) the Development Officer determines that any repairs to the Public Benefit are required to ensure that the Public Benefit does and will continue to function properly,

the Developer shall, within thirty (30) calendar days after receipt of notice, in writing, from the Development Officer, make such repairs or alterations as may be required, and if the Developer fails to do so, the Municipality may make such repairs or alterations.

8. If the Municipality undertakes any repairs or alterations, the Developer shall be responsible for the whole and entire cost thereof and the Developer shall reimburse the amount expended by the Municipality within fourteen (14) calendar days after a demand therefor by the Municipality.

Release and Indemnity

9. The Developer hereby agrees to assume, and does hereby assume, any and all liability and agrees to indemnify, protect and save and keep harmless the Municipality and its Employees from and against any and all liabilities, obligations, losses, damages, penalties, proceeding, claims, actions (including negligence and wrongful death), suits, costs and expenses (including legal expenses) of whatsoever kind and nature imposed or assumed by, incurred by or asserted

against the Municipality, or its Employees, in any way relating to or arising out of the failure by the Developer to observe, fulfill or perform any agreement, condition, covenant, obligation, promise, provision, representation or warranty contained in this Agreement to be observed, fulfilled or performed by the Developer, required by the Municipality, or resulting from the breach of any agreement, condition, covenant, obligation, promise, provision, representation or warranty contained herein on the part of the Developer.

GENERAL PROVISIONS

Costs, Expenses, Liabilities and Obligations

10. The Developer shall be responsible for all costs, expenses, liabilities and obligations imposed under or incurred in order to satisfy the terms of this Agreement and all federal, provincial and municipal laws, by-laws, regulations and codes applicable to the Property.

Applicability of Laws

11. This Agreement shall be construed pursuant to the laws of the Province of Nova Scotia.

12. Nothing in this Agreement shall exempt or be taken to exempt the Developer, the owner of the Property or any other person from complying with the requirements of any by-law of the Municipality applicable to the Property or any statute or regulation of the Provincial or Federal Government and the Developer or lot owner agree(s) to observe and comply with all such laws, by-laws and regulations, as may be amended from time to time, in connection with the development and use of the Property.

Schedules

13. The following Schedules shall form part of this Agreement:

- Schedule "A" - Legal Description of the Property
- Schedule "B" - Post Bonus Cost Estimates
- Schedule "C" - Drawings

Amendments

14. This Agreement may only be amended with the mutual consent of the Developer and the Council of the Municipality.

Conflict

15. Where the provisions of this Agreement conflict with those of any by-law of the Municipality applicable to the Property or any provincial or federal statute or regulation, the higher or more stringent requirements shall prevail.

16. Where the written text of this Agreement conflicts with information provided in the Schedules attached to this Agreement, the written text of this Agreement shall prevail.

Provisions Severable

17. The provisions of this Agreement are severable from one another and the invalidity or unenforceability of one provision shall not affect the validity or enforceability of any other provision.

Registration and Subsequent Owners

18. A copy of this Agreement and every amendment or discharge of this Agreement shall be recorded at the Registry of Deeds or Land Registry Office at Halifax, Nova Scotia and the Developer shall incur all costs in recording such documents.

19. This Agreement shall run with the land and be binding upon the Parties hereto, their heirs, administrators, executors, successors, assigns, mortgagees, lessees and all subsequent owners.

20. Upon the transfer of title to any part of the Property, the subsequent owner(s) thereof shall observe and perform all the terms and conditions of this Agreement to the extent applicable to the transferred part of the Property.

Discharge of Agreement

21. If the Developer fails to complete the Development after **three (3)** years from the date of registration of this Agreement at the Registry of Deeds or Land Registration Office, Council may review this Agreement, in whole or in part, and may:

- (a) retain the Agreement in its present form;
- (b) negotiate a new Agreement; or
- (c) discharge this Agreement.

22. Council may, at any time, review this Agreement, in whole or in part, and may:

- (a) negotiate a new Agreement; or
- (b) discharge this Agreement.

Breach of Agreement and Failure to Comply

23. The Developer agrees that:

- (a) any Employee appointed by the Municipality to enforce this Agreement shall be granted access onto the Property during all reasonable hours without obtaining consent of the Developer; and
- (b) upon receiving written notification from an Employee to inspect the interior of any building located on the Property, the Developer agrees to allow for such an inspection during any reasonable hour within twenty-four hours of receiving such a request.

24. If the Developer fails to observe, fulfill or perform any agreement, condition, covenant, obligation, promise, provision, representation or warranty of this Agreement after the Municipality has given the Developer thirty (30) calendar days written notice of the failure or default, then in each such case:

(a) the Municipality shall be entitled to apply to any court of competent jurisdiction for injunctive relief including an order prohibiting the Developer from continuing such default and the Developer hereby submits to the jurisdiction of such court and waives any defence based upon the allegation that damages would be an adequate remedy;

(b) the Municipality may enter onto the Property and perform any of the agreement, condition, covenant, obligation, promise, provision, representation, or warranty contained in this Agreement or take such remedial action as is considered necessary to correct a breach of this Agreement, whereupon all reasonable expenses whether arising out of the entry onto the Property or from the performance of the agreement, condition, covenant, obligation, promise, provision, representation or warranty, or any other remedial action, shall be a first lien on the Property and be shown on any tax certificate issued under the *Assessment Act*; and

(c) in addition to the above remedies, the Municipality reserves the right to pursue any other remedy under the *Halifax Regional Municipality Charter* or common law in order to ensure compliance with this Agreement.

Time

25. Time shall be of the essence in this Agreement.

THE REST OF THIS PAGE IS BLANK.

IN WITNESS WHEREOF the parties have executed this agreement as of the day and year first above written.

SIGNED, SEALED AND DELIVERED in

**WATERFRONT
DEVELOPMENT
CORPORATION LTD**

the presence of

Per: _____

Name:

Office held:

Witness

Per: _____

Name:

Office held:

SEALED, DELIVERED AND

**HALIFAX REGIONAL
MUNICIPALITY**

ATTESTED to by the proper signing officers of Halifax Regional Municipality, duly authorized in that behalf, in the presence of:

Witness

Per: _____

Mayor

Witness

Per: _____

Clerk

SCHEDULE "A"

**QUEEN'S MARQUE DEVELOPMENT
LOWER WATER STREET, HALIFAX, NS**

ALL that parcel of land and land covered by water situated on the northeastern side of Lower Water Street at Halifax, in the County of Halifax, Province of Nova Scotia being further described as follows:

BEGINNING on the northeastern boundary of Lower Water Street, at the southern corner of Lot WD-5B, being also the western corner of Lot WD-5A;

THENCE North 62 degrees 28 minutes 25 seconds East, 152.62 feet along the southeastern boundary of Lot WD-5B;

THENCE North 59 degrees 49 minutes 00 seconds East, 64.39 feet along the southeastern boundary of Lot WD-5B;

THENCE North 27 degrees 00 minutes 00 seconds West, 1.25 feet along the northeastern boundary of Lot WD-5B;

THENCE North 62 degrees 59 minutes 42 seconds East, 421.00 feet along the southeastern boundary of Lot WD-5B, the southeast boundary of PID 00003459, lands of Halifax Regional Municipality and the southeast boundary of Lands of Halifax Port Authority (Halifax Harbour);

THENCE South 27 degrees 00 minutes 18 seconds East, 178.00 feet along the southwestern boundary of Lands of Halifax Port Authority (Halifax Harbour);

THENCE South 62 degrees 59 minutes 42 seconds West, 175.84 feet along the northwestern boundary of Lands of Halifax Port Authority (Halifax Harbour);

THENCE South 25 degrees 33 minutes 41 seconds East, 267.41 feet along the southwestern boundary of Lands of Halifax Port Authority (Halifax Harbour);

THENCE North 69 degrees 31 minutes 56 seconds East, 95.40 feet along the southern boundary of Lands of Halifax Port Authority (Halifax Harbour);

THENCE South 17 degrees 24 minutes 30 seconds East, 56.00 feet along the western boundary of Lands of Halifax Port Authority (Halifax Harbour) to the northeastern corner of Block WD-4R;

THENCE South 69 degrees 46 minutes 15 seconds West, 359.00 feet along the northern boundary of Block WD-4R;

THENCE South 72 degrees 39 minutes 23 seconds West, 73.00 feet along the northern boundary of Block WD-4R;

THENCE South 17 degrees 01 minutes 45 seconds East, 7.00 feet along the western boundary of Block WD-4R;

(1)

THENCE South 72 degrees 39 minutes 23 seconds West, 129.54 feet along the northern boundary of Block WD-4R to the northeastern boundary of Lower Water Street;

THENCE northwesterly 14 feet, more or less, along the northeastern boundary of Lower Water Street to an angle therein;

THENCE North 26 degrees 28 minutes 17 seconds West, 26.30 feet, along the northeastern boundary of Lower Water Street to the southern corner of PID 00003517(Remainder);

THENCE North 64 degrees 16 minutes 35 seconds East, 16.78 feet, along the southeastern boundary of PID 00003517(Remainder);

THENCE North 24 degrees 00 minutes 40 seconds West, 7.20 feet, along the northeastern boundary of PID 00003517(Remainder) to the eastern corner of Parcel LW-1;

THENCE North 24 degrees 00 minutes 40 seconds West, 188.69 feet, along the northeastern boundary of Parcel LW-1;

THENCE South 63 degrees 51 minutes 50 seconds West, 0.19 feet, along the northwestern boundary of Parcel LW-1 to the eastern corner of Lower Water Street;

THENCE North 26 degrees 28 minutes 25 seconds West, 100.00 feet, along the northeastern boundary of Lower Water Street;

THENCE North 63 degrees 51 minutes 50 seconds East, 2.48 feet, along the southeastern boundary of Lower Water Street;

THENCE North 24 degrees 00 minutes 40 seconds West, 21.42 feet, along the northeastern boundary of Lower Water Street;

THENCE South 64 degrees 33 minutes 00 seconds West, 6.73 feet, along the northwestern boundary of Lower Water Street;

THENCE North 28 degrees 41 minutes 00 seconds West, 11.84 feet, along the northeastern boundary of Lower Water Street to a point of curvature;

THENCE northwesterly, along a curve to the left, having a radius of 160.00 feet for a distance of 47.62 feet along the curved northeastern boundary of Lower Water Street;

THENCE North 65 degrees 00 minutes 00 seconds East, 11.35 feet, along the southeastern boundary of Lower Water Street;

THENCE northwesterly, along a curve to the left, having a radius of 75.23 feet for a distance of 3.48 feet, along the curved northeastern boundary of Lower Water Street to a point of curvature;

(2)

THENCE North 50 degrees 46 minutes 43 seconds West, 19.23 feet, along the northeastern boundary of Lower Water Street, to the place of beginning.

CONTAINING an area of 251,752 Square feet (5.779 Acres) more or less.

ALL bearings are Nova Scotia Coordinate Survey System Grid Bearings and are referred to Central Meridian, 64 degrees 30 minutes West.

THE above described **Queen's Marque Development** being and intended to be:

PID 40624504

Lot WD-5A as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 14-736-0, dated July 8, 1996, Halifax County Land Registration Office Plan No. 22081.

PID 40841520

Parcel M-2 as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 14-820-0, dated February 20, 1998.

PID 00003509

Parcel M-1 as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 14-820-0, dated February 20, 1998; save and except Parcel LW-1 as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 14-1790-1, dated March 24, 2017.

PID 41430521

Parcel HP-5 as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 14-1726-0, dated October 2, 2015.

PID 41425612

Parcel HP-2 as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 13-1747-0, dated March 29, 2006.

PID 41425604

Parcel HP-1 as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 13-1747-0, dated March 29, 2006.

PID 00003525

Parcel Q-1 as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 14-820-0, dated February 20, 1998.

PID 40841546

Parcel Q-2 as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 14-820-0, dated February 20, 1998.

PID 40841553

(3)

Parcel WD-1E, being a portion of PID 00003517, as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 14-1790-1, dated March 24, 2017.

Parcel WD-2 being a portion of PID 00003517, as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 14-1790-1, dated March 24, 2017.

Parcel WD-1B being a portion of Lower Water Street, as shown on Servant, Dunbrack, McKenzie & MacDonald Ltd. Plan No. 14-1790-1, dated March 24, 2017.

May 24, 2017



ARMOUR GROUP

ESTABLISHED 1972

June 1, 2017

Andrew Faulkner, Principal Planner/Development Officer
Current Planning/Land Development & Subdivision
Halifax Regional Municipality
40 Alderney Drive, Halifax, NS B3J 3A5

RE: Queen's Marque: Public Benefit Agreement Cost Considerations

Dear Mr. Faulkner:

According to Part 12 of the *Downtown Halifax Land Use By-Law* (LUB), the Maximum Pre and Post-Bonus Heights for the Queen's Marque development site are 26 metres (85.30 feet) and 34 metres (111.55 feet), respectively. Queen's Marque is proposed at 30.3 metres (99.5') which requires the provision of public benefit in order to obtain Post-Bonus Height approval. The LUB references a required public benefit contribution at a "value of not less than \$4.00 (adjusted to NS CPI from 2009) per 0.1 square metres of gross floor area" (LUB Clause 12[1]).

Above the height of 26 metres, Queen's Marque is proposing two levels of office space and three levels of residential space totaling 8,225 square metres of gross floor area. The following figures represent the total gross floor area for all levels exceeding the Maximum Pre-Bonus Height, as well as the associated Post-Bonus Height public benefit valuation:

Building Level:

Level 8 (Residential only):	2,411 square metres
Level 9 (Residential and Office Level 7):	3,549 square metres
Level 10 (Residential and Office Level 8):	2,265 square metres
Total:	8,225 square metres

Post-Bonus Height Valuation: 8,225 square metres / 0.1 = 83,890 x 4.00 = \$329,000

Queen's Marque will significantly exceed the LUB's Post-Bonus Height public benefit contribution valuation requirements by providing: **1)** publically accessible amenity space (LUB Section 12(7[b])); **2)** public art (LUB Section 12(7[f])); and, **3)** exemplary sustainable building practices (LUB Section 12(7[i])). The immediate sub-sections briefly outline the public benefit contributions and associated valuations.

Public Benefit Categories and Cost Considerations

1) Publically Accessible Amenity Space

Enhancing, maintaining and providing active and accessible public open spaces is an integral component of the Queen’s Marque project. Of the 3.36 acre site (not including water lots), 2.24 acres, or 66% of the total developable area, is dedicated to new public open spaces accessible to the public year-round. The Armour Group Limited is constructing new public wharves, boardwalks, plazas, courtyards and landscaping features at an expense that greatly exceeds the Post-Bonus Height Valuation contribution requirement:

- Timber Decking (material): \$450,000
- Granite (material): \$1,115,000
- **SUB-TOTAL: \$1,565,000**

2) Public Art

According to the DHSMPs, public art that showcases local culture and unique precinct characteristics should be located in high profile locations throughout Downtown Halifax, including prominent view corridors, gateways, public open spaces, walkways and interior courtyards (DHSMPs, Section 6.5, ‘Public Art’, pg. 44). Queen’s Marque will provide and support the installation of public art installations as prescribed in the DHSMPs. Although no public works of art have been commissioned at this time, The Armour Group Limited is committing to provide public art installations at a value that greatly exceeds the Post-Bonus Height Valuation. For example, the ‘Harbour Light’ art piece will, alone, exceed the required \$329,000.00 contribution.

Additionally, through DHSMPs Policy 63, there is an unparalleled opportunity for HRM to support ‘post bonus height incentives’ in order to support additional public art installations through its capital investment programs. The Armour Group Limited will look to HRM for capital support for future art installations within the Queen’s Marque District.

Policy 63 *To implement the objectives of HRM’s Public Art Policy, HRM shall support the installation of public art at appropriate locations in downtown Halifax through its capital investment programs and through the bonus zoning provisions of the Land Use By-law.*

- **SUB-TOTAL: \$329,000 (minimum)**

3) Exemplary Sustainable Building Practices – Seawater Intake Pipe

Queen’s Marque is building to a LEED Platinum® energy standard: the materials – Wallace Sandstone, copper and granite – will be locally sourced, where possible; the design and construction team is locally sourced; sea level rise is accounted for by raising the building above the current average waterfront grade; all building systems are intended to surpass efficiency standards; and, a seawater intake pipe is being installed to supply heating and cooling for the building’s users.

The seawater piping system will consist of a 16 inch diameter intake pipe and a 16 inch diameter discharge pipe. The piping material shall be DR17 high density polyethylene (HDPE). The intake pipe shall extend approximately 500 feet out into the harbour in order that the inlet be approximately 50 feet below the surface of the harbour in order to maximize the seawater heat pump plant efficiency. At a depth of approximately 50 feet or more the temperature profile of the seawater is such that it is relatively warm during the heating season and relatively cold during the cooling season as compared to surface and shallower depths. Warmer water during the heating season and colder water during the cooling season have a significant impact on the heat pump plant efficiency and thus a significant impact on the building energy costs. The discharge piping outlet would near the shoreline.

With respect to a public cost benefit, a cost breakdown of the seawater intake pipe is as follows:

• HDPE:	\$250,000
• <u>HDPE Installation (\$300/foot):</u>	<u>\$150,000</u>
• Sub-Total:	\$400,000

Public Benefit Valuation Summary

The public benefit values outlined above represent a fraction of the overall contributions to the public realm. The public benefit contributions provided by the Queen’s Marque development will enhance the Waterfront and the cultural fabric of Downtown Halifax in ways unmatched by other private developments in Halifax. The Queen’s Marque District will embody the unique style, energy and confidence of Nova Scotia. We are building a district for our community and those who share this quiet confidence in our prosperity, natural beauty and resilience. A baseline public benefit cost analysis has therefore been provided as follows:

• Amenity Space:	\$1,565,000
• Public Art:	\$329,000 (minimum)
• <u>Seawater Intake Pipe:</u>	<u>\$400,000</u>
• TOTAL:	\$2,294,000

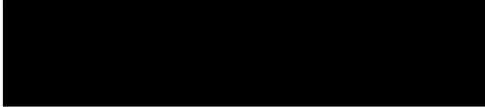


ARMOUR GROUP
ESTABLISHED 1972

Based on the merits of the Queen's Marque project and its public benefit contributions, we trust that Post-Bonus Height Approval is warranted. Should you have any questions or comments, do not hesitate to contact the undersigned.

Yours truly,

The Armour Group Limited



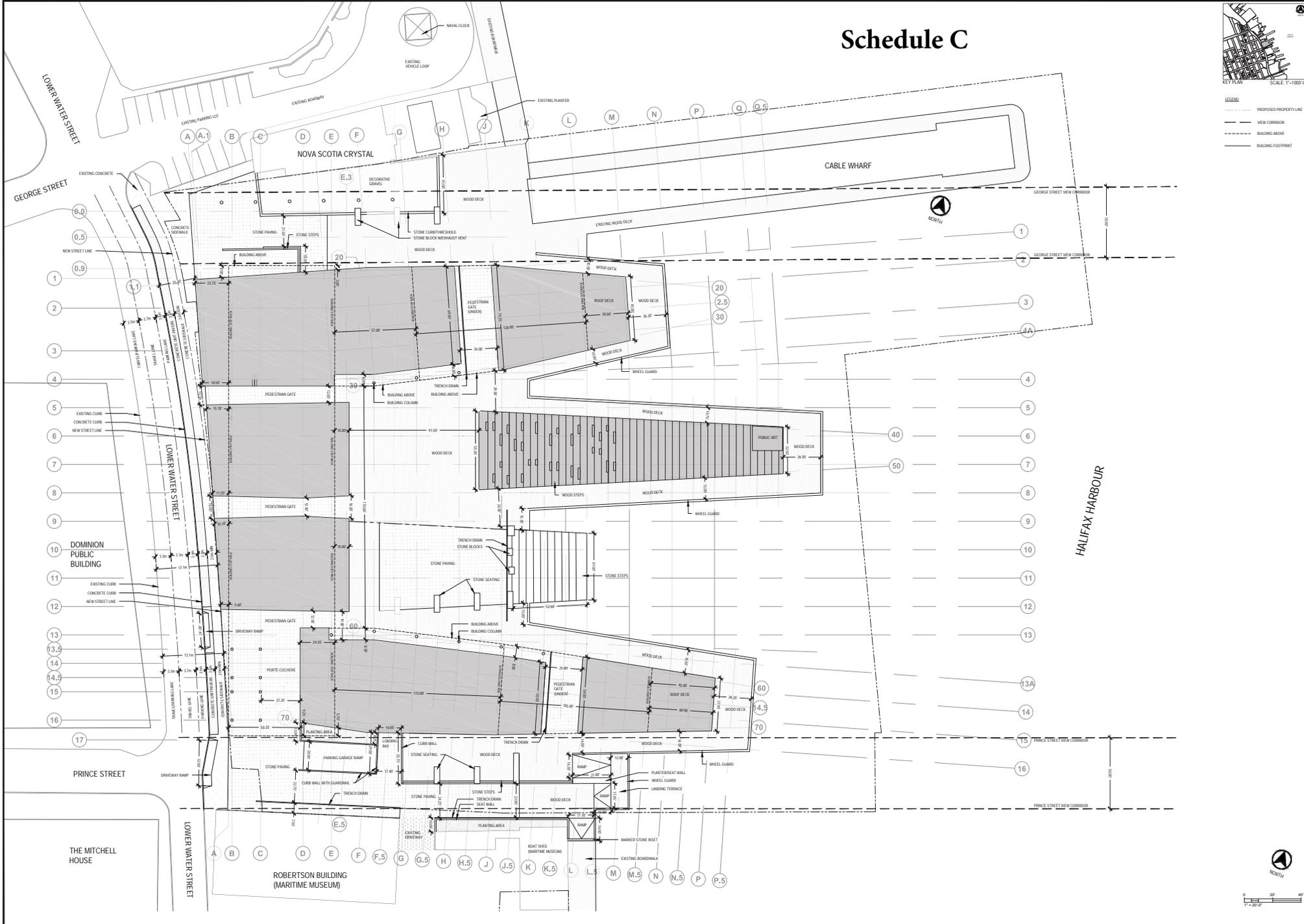
Blaise Morrison, MCIP, LPP
Manager, Development & Planning

Encl.

Schedule C



- LEGEND**
- PROPOSED PROPERTY LINE
 - - - VIEW CORRIDOR
 - - - BUILDING ABOVE
 - BUILDING FOOTPRINT



FOWLER BULL & MITCHELL
 architecture

Forster Bank & Mitchell Ltd.
 PO Box 514, Suite 102
 1660 Halifax Street, Halifax, Nova Scotia B3J 2K7
 Tel: 902-421-4100 Fax: 902-423-3063
 email: info@fbcma.com www.fbcma.ca

MacKay-Lyons Sweetapple
 Architects Limited

2186 Goolbsing Street
 Halifax Nova Scotia Canada
 B3K 2G4

Landscapes Architecture & Planning

NO.	REVISION	BY	DATE
01	ISSUE FOR BIDDING	SM	2017-03-11
02	ISSUE FOR CONSTRUCTION	SM	2017-03-11

QUEEN'S MARQUE
 HALIFAX
 NOVA SCOTIA

DATE: 11 MAR 2017

DR: DS/MB/GR/STL SCALE: 1"=20' 0"

SITE PLAN
L01