

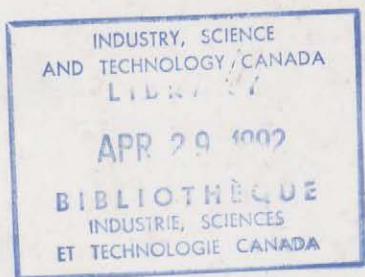
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Subsidiary
Agreement



Regional
Economic
Expansion

Expansion
Économique
Régionale



CANADA/NOVA SCOTIA
METROPOLITAN HALIFAX-DARTMOUTH
AREA DEVELOPMENT



MARCH 31, 1975

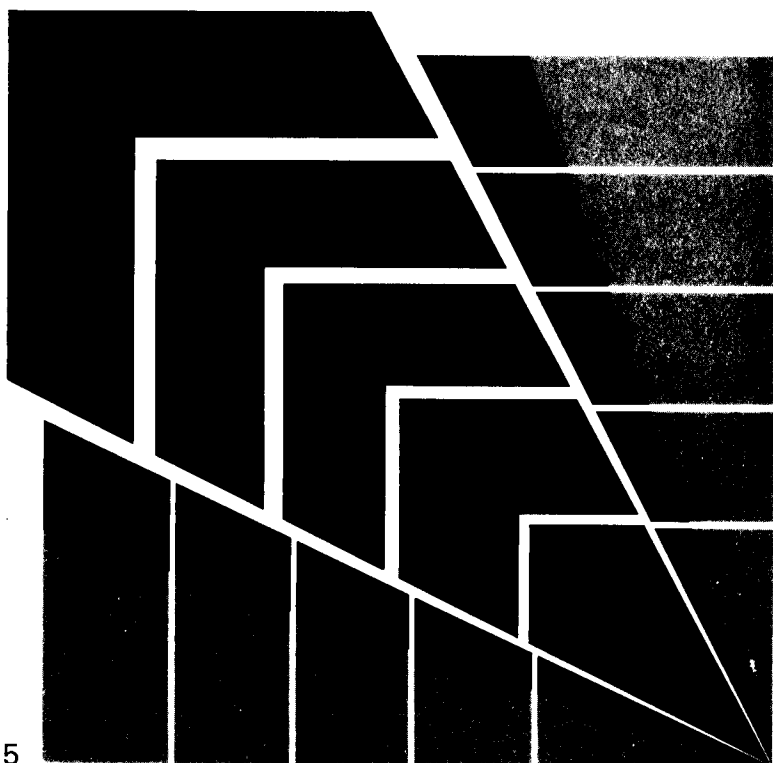
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CANADA/NOVA SCOTIA
METROPOLITAN HALIFAX-DARTMOUTH
AREA DEVELOPMENT



MARCH 31, 1975

CANADA-NOVA SCOTIA
SUBSIDIARY AGREEMENT METROPOLITAN
HALIFAX-DARTMOUTH AREA DEVELOPMENT

THIS AGREEMENT made this 31st day of March, 1975

BETWEEN:

THE GOVERNMENT OF CANADA
(hereinafter referred to as "Canada"),
represented by the Minister of
Regional Economic Expansion,

OF THE FIRST PART,

AND:

THE GOVERNMENT OF THE PROVINCE OF
NOVA SCOTIA (hereinafter referred to
as "the Province"), represented by
the Minister of Development,

OF THE SECOND PART.

WHEREAS Canada and the Province signed a General Development Agreement dated September 12, 1974, (hereinafter referred to as "the GDA"), to achieve the objectives set forth in section 3 thereof;

AND WHEREAS in pursuit of these objectives Canada and the Province have agreed to seek to identify developmental opportunities through a process of analyzing and reviewing the economic and social circumstances of Nova Scotia and Nova Scotia's relationships to the regional and national economy;

AND WHEREAS Canada and the Province have agreed to seek a coordinated application of relevant federal and provincial programs and activities in order to assist in the realization of identified opportunities;

AND WHEREAS a strategy is provided for in Schedule "A" to the GDA for achieving such objectives, which strategy includes the development of the Halifax-Dartmouth Metropolitan Area, with special emphasis on high technology industries, communication, distribution, and transportation-related industries, and a wide range of business and personal services

consistent with its evolution as a major business and service centre;

AND WHEREAS Canada and the Province have agreed that public investments will be required to assist in the pursuit of this strategy;

AND WHEREAS Canada is prepared to participate in the programs and projects set out in Schedule "A" hereto and to contribute to the Province on the terms and conditions set out in this Agreement for the purpose of enabling the Province to participate effectively in this process;

AND WHEREAS the Governor in Council by Order in Council P.C. 1975-3/710 of the 27th of March, 1975, has authorized the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. 75-274 of the 10th day of March, 1975, has authorized the Minister of Development to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties hereto mutually agree as follows:

DEFINITIONS

1. In this Agreement:
 - (a) "eligible costs" means those costs referred to in section 10 but excluding those referred to in sections 7 and 8;
 - (b) "Federal Minister" means the Minister of Regional Economic Expansion of Canada and includes anyone authorized to act on his behalf;
 - (c) "fiscal year" means the period commencing on April 1 of any calendar year and terminating on March 31 of the immediately following year;
 - (d) "Management Committee" means the officials designated pursuant to section 20;
 - (e) "Ministers" means the Federal Minister and the Provincial Minister;
 - (f) "program" means the subject matter specified in section 5;
 - (g) "project" means a subdivision of a program as defined by the Management Committee; and
 - (h) "Provincial Minister" means the Minister of Development and includes anyone authorized to act on his behalf.

PURPOSE

2. The purpose of this Agreement is to enable Canada and the Province to make investments considered essential for the development of the Halifax-Dartmouth Metropolitan Area along the lines indicated in Schedule "A" of the GDA.

OBJECTIVE

3. The objective of this Agreement is to accelerate the development of the Halifax-Dartmouth Metropolitan Area with special emphasis on high technology industries, communication, distribution, and transportation-related industries, and a wide range of business and personal services consistent with its evolution as a major business and service centre.

STRATEGY

4. The broad strategy to be followed in this Agreement is described in detail in Appendix "A" to this Agreement, which strategy shall be considered annually and which may be revised from time to time by the Ministers. This strategy shall be related directly to the following major economic opportunities:
 - (a) Metro Development, primarily focussed upon development of the urban core areas of Halifax and Dartmouth, including projects which improve access to and upgrade the level of basic services and amenities in these areas;
 - (b) The Gateway, covering port-related and air transport activities, and including in particular new cargo-handling and transportation facilities; and
 - (c) Industrial Development, including manufacturing, warehousing and distribution, and projects to provide services to these industries. Particular long-term emphasis is placed on high technology industries.

SUBJECT MATTER

5. (a) Schedule "A" attached to and forming part of this Agreement consists of a list of projects that the Province shall arrange to have carried out and which list includes the following programs:
 - (i) Metro Development
 - (ii) The Gateway: The Port
 - (iii) Industrial Development

- (b) The Province will undertake, either directly or through agencies of the Province, or will endeavour to arrange for the municipalities or private interests concerned to undertake, in accordance with an agreed upon schedule, the program items listed in Schedule "A". The Province, the municipality, or private interest, as the case may be, will take over each project on completion and final acceptance, and will accept full responsibility for its operation, maintenance and repair.
- 6.
- (a) The Province will be responsible for acquiring, to the extent necessary, and for bearing the cost of purchase of all privately-owned lands within the boundaries of the proposed Halifax-Dartmouth Waterfront Development Project, such site being within the development boundaries to be agreed to by the Province and Canada, and such site to be more fully described and identified in the approved Master Plan for the area concerned.
 - (b) It is mutually understood and agreed that all publicly-owned lands (federal, provincial and municipal), within the boundaries of the proposed development site as referred to in paragraph (a) above, will be made available for the said development site on conditions and purchase prices to be negotiated. It is understood and agreed that the Province will negotiate for the purchase of such municipal lands and will effect their purchase.
 - (c) It is further mutually understood and agreed that Canada will contribute toward the total cost of the acquisition of the aforesaid privately and publicly-owned lands, and toward the cost of acquisition of such land area as may be created on the Halifax waterfront on the said site.
 - (d) It is mutually agreed that net revenue accruing from the project, to be collected by the Province, be shareable between Canada and the Province in the same proportion as their respective contributions.
 - (e) When any lands acquired by the Province for any purpose specified under the Halifax Waterfront Project are sold after such acquisition, the proceeds from such sale shall be divided between Canada and the Province, in the same proportion as their respective contributions.
 - (f) When the use of any lands acquired is changed to a use incompatible with the intent of the Waterfront Development Project, the Province shall pay Canada, if requested by Canada, a share of the appraised market value of such lands

- (g) at the time of change in use on the basis of the proportion paid by Canada of the original contribution in this project.

It is understood and agreed that the Management Committee shall have authority to determine the length of time during which the provisions set forth in (e) and (f) above shall apply.

7. Canada shall assume responsibility for occupying approximately 800 000 square feet of office space under a phased plan in the Waterfront Development Project as described in Schedule "A".
8. The Province shall assume responsibility for occupying approximately 450 000 square feet of office space in the Waterfront Development Project as described in Schedule "A".
9. Canada and the Province agree that the environmental requirements of both governments will be adhered to in all projects undertaken under this Agreement.

FINANCIAL PROVISIONS

10. Excepting sections 7 and 8, the eligible costs to be financed or shared under this Agreement by Canada and the Province in respect of the program items or portions thereof listed in Schedule "A" shall consist of:
 - (a) with respect to the infrastructure components of the program items listed in section 5, all direct costs including those relating to public information, but excluding administration, survey, engineering and architecture costs, that in the opinion of the Management Committee have been reasonably and properly incurred for the implementation of the programs by the Province; plus ten per cent (10%) of these costs as an allowance towards the exclusions specified, except where other provisions are provided for or specified in Schedule "A", less expenditures reimbursed under the previous Special Areas and Highways Agreement.
 - (b) With respect to all other components of the programs listed in section 5, the eligible costs to be financed or shared under this Agreement by Canada shall consist of:
 - (i) the gross salaries, employer's share of contributions for Canada Pension Plan and Unemployment Insurance, and reasonable travel and removal expenses in accordance with applicable provincial regulations of those provincial employees determined by the Management Committee to be or to have been engaged in the implementation of projects; provided that such costs, as

determined by the Management Committee, are incremental to the Province and are in addition to such staff, services and facilities as are normally available or already in existence within the Province, it being expressly understood and agreed that costs for accommodation in provincially-owned buildings and costs for regular provincial telephone and other utility systems and services shall be excluded, except as otherwise agreed by the Management Committee; and

- (ii) the costs of external services obtained pursuant to section 25, and other specific direct costs as approved by the Management Committee.
11. The provision of financing by Canada and the Province for the implementation of this Agreement is subject to the Parliament of Canada and the Province having provided funds for such financing for the fiscal year in which such financing is required.
12. Notwithstanding anything in this Agreement, the total amount payable by Canada under this Agreement shall not exceed eighty per cent (80%), up to an amount of \$79 997 000, of the total costs of the programs.
13. This Agreement and Schedule "A" thereof may be amended as agreed from time to time by the Ministers and any relevant amendments shall be made by the two Ministers in writing. Each program or project item added to Schedule "A" shall form part of this Agreement and shall be governed by the terms thereof as fully and effectively as if it had originally been included in this Agreement. It is expressly understood and agreed, however, that any amendment to section 12 shall require the approval of the Governor in Council.
14. The Management Committee may make adjustments in the projects within each program in Schedule "A" during the fiscal year, provided, however, that such adjustments do not increase the total amount for each program. However, the Management Committee may not adjust the ratio of contributions by Canada and the Province to total costs for any project as specified in Schedule "A", unless expressly authorized in writing by the two Ministers.
15. Unless otherwise agreed by the Ministers, the costs of each program item, excepting sections 7 and 8, shall be limited to the estimated federal and provincial costs specified in Schedule "A".
16. If, at any stage of a program, it appears to the Province that the costs thereof will exceed the estimated costs specified for any program in Schedule "A", the Province shall promptly so inform the Management Committee and state the reasons for such increase.

17. Upon being so informed, the Management Committee shall consider the circumstances which have contributed to the increase in the estimated costs and shall prepare and present a report and recommendations to the Ministers in respect of the action proposed to be taken.
18. Except for the express proviso of section 6, the costs to be financed by Canada shall not include any costs relating to the acquisition of lands or interests in lands or costs arising from conditions of acquisition.
19. Subject to the approval of the Federal Minister, costs incurred on approved programs and projects by either party are eligible if incurred within twelve months prior to the date of this Agreement.

ADMINISTRATION AND MANAGEMENT

20. Each of the Ministers shall designate one or more senior officials in equal numbers to be responsible for the administration of this Agreement. These officials shall constitute the Management Committee whose function it shall be to oversee the planning and implementation of the programs specified in section 5, and to fulfill responsibilities identified for the Management Committee elsewhere in this Agreement. The Federal Minister and the Provincial Minister shall respectively appoint one federal and one provincial official from the members of the Management Committee to act as Co-Chairman.
21. The Management Committee shall submit for the approval of the Ministers annually and no later than September 1 of each year an assessment of the progress made in implementing the Agreement, the effectiveness to date of the program and program items in achieving the objectives intended and the continuing relevance of the objectives themselves, together with the projected budget required for the subsequent fiscal year.
22. (a) Canada and the Province agree to provide the Management Committee with all information necessary for the performance of its functions.

(b) The Management Committee may establish subcommittees to advise and assist it in its work, which subcommittees may include persons who are not members of the Management Committee. Subcommittees will prepare, as requested, submissions and recommendations to the Management Committee on all matters relating to the planning and implementation of the projects in Schedule "A". Progress reports on physical and financial details of projects will be presented to the

Management Committee with recommendations for any necessary action consistent with the development strategy adopted.

PAYMENT PROCEDURES

23. Subject to section 11, payments by Canada shall be promptly made to the Province on the basis of progress claims setting out the costs actually incurred and paid for the project, submitted in a form and verified in a manner satisfactory to the Federal Minister.
24. (a) In order to assist with the interim financing of projects, Canada may, if the Province so requests, make interim payments to the Province of one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of costs actually incurred as certified by a senior officer of the Province.

(b) The Province shall account for each interim payment by submitting to Canada, within 120 days after such payment by Canada, a detailed statement of the actual expenditures incurred and paid, verified in a manner satisfactory to the Federal Minister. Any discrepancy between the amount paid by Canada by way of interim payments and the amounts actually paid by the Province shall be promptly adjusted between Canada and the Province.

(c) Payment of claims under sections 23 and 24 shall be augmented by ten per cent (10%) or as otherwise specified in Schedule "A" for infrastructure projects as provided for in paragraph 10 (a).

TENDERS AND CONTRACT AWARDS

25. (a) Unless the Management Committee otherwise agrees, all construction, purchase, and other contracts shall be let pursuant to tenders invited by public advertisement.

(b) Opening of all tenders shall be public and the Management Committee shall be supplied with copies of each advertisement for tender, together with notice of the time and place for tender opening, in sufficient time to enable any member of the Management Committee or his representative to be present at all tender openings and to participate in the evaluation of tenders.

(c) All contracts shall be awarded to the responsible and responsive tenderer who submitted the lowest evaluated bid, unless otherwise agreed by the Management Committee.

- (d) All contracts for professional services shall be supervised in accordance with procedures to be approved by the Management Committee, and reports produced by consultants or resulting from such contracts shall become the property of both parties.
- (e) All announcements of contract awards shall be made jointly by Canada and the Province.

MONITORING

- 26. (a) All substantive amendments to contracts shall require the prior approval of the Management Committee.
- (b) Any member of the Management Committee or his representative shall be permitted to inspect the project at all reasonable times for the purpose of verifying progress claims and obtaining any other information concerning the project which may be required by the Federal Minister or the Provincial Minister.

PUBLIC INFORMATION

- 27. (a) Canada and the Province agree to cooperate in the development and implementation of a public information program, that provides to the federal and provincial governments appropriate credit and recognition respecting the implementation of projects under this Agreement;
 - (b) Canada is responsible for supplying throughout the period that work is in progress, a sign or signs, as appropriate in the opinion of Canada, indicating that the project is undertaken and financed in accordance with the terms of this Agreement, and reserves the right to provide and install on completion of the work, wherever suitable, a permanent plaque bearing an inscription to the like effect;
 - (c) The Province is responsible for the installation, the maintenance and, at the completion of the project, the removal of any signs.
28. Any public announcement of the measures covered by this Agreement, and any official opening ceremony for each project outlined in Schedule "A", shall be arranged jointly by the Ministers.

GENERAL

- 29. This Agreement shall terminate on March 31, 1980, except that projects approved and commitments made in writing prior to this date shall continue in force until completion. However, Canada shall not pay any claim which is not received by March 31, 1981.

30. No member of the House of Commons of Canada or the Legislative Assembly of Nova Scotia shall be admitted to any part or share of payments made pursuant to this Agreement or to any benefits to arise therefrom, nor shall such member undertake or participate in any study or analysis pursuant to a contract as a result of which Canada may be required to pay any amounts pursuant to this Agreement.
31. The provisions of the Labour Standards Arrangement proposed by the Federal Department of Labour in 1970 shall be applicable to this Agreement, it being understood and agreed that to the extent that there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply. In the aforesaid Labour Standards Arrangement, the following provisions are regarded as minimum requirements:
- (a) rates of pay prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
 - (b) in building construction, time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards which shall in no case be more than 48 per week;
 - (c) in road and heavy construction, time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards which shall in no case be more than 50 per week;
 - (d) labour conditions to be specified in all tendering documents and to be posted conspicuously in the work place;
 - (e) all contracts shall be awarded without discrimination by reason of race, sex, age, marital status, national origin, colour, religion, or political affiliation, it being agreed, however, that the foregoing shall not prevent the implementation of special measures designed to benefit native people; and
 - (f) recruitment of labour shall be conducted through the Canada Manpower Centres wherever practicable unless the Management Committee considers that the service cannot reasonably be provided.
32. The terms and conditions of the GDA shall apply to this Agreement.

EVALUATION

33. During this Agreement, Canada and the Province shall jointly

effect an assessment of the programs listed in Schedule "A" with regard to the stated objectives. Annual progress reports shall be submitted by the Management Committee to the Ministers on or before the annual meeting of the Ministers as prescribed under subsection 9.1 and section 10 of the GDA. In addition, Canada and the Province shall also jointly effect an evaluation of this Agreement with respect to the general economic and socioeconomic development of Nova Scotia.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Regional Economic Expansion, the Minister of Public Works, and the Minister of State for Urban Affairs, and on behalf of the Province by the Minister of Development.

In the Presence of:

GOVERNMENT OF CANADA

Witness

Minister of
Regional Economic Expansion

Witness

Minister of Public Works

Witness

Minister of State for Urban Affairs

GOVERNMENT OF THE PROVINCE OF
NOVA SCOTIA

Witness

Minister of Development

CANADA-NOVA SCOTIA SUBSIDIARY AGREEMENT
METROPOLITAN HALIFAX-DARTMOUTH AREA DEVELOPMENT

*Including:

(a) Direct Cost

(b) 10% Allowance (where applicable)

SCHEDULE "A"

(in \$000's)

Program/Project Description	Estimated Total Cost*	Federal Share*	Provincial Share*	SUB-PROJECT DETAIL		
				Description	Cost Sharing	Estimated Cost*
I. METRO DEVELOPMENT						
1. Halifax-Dartmouth Waterfront Development	87 710	65 457	22.253	(a) <u>Site Preparation and Land Acquisition</u> Acquisition of necessary land; landfill and seawall construction and demolition on the Halifax and Dartmouth Waterfront.	80:20	24 000
				(b) <u>Development of Waterfront Master Plan</u>	80:20	500
				(c) <u>Design and Construction of Public Infrastructure</u> Provision of trunk water, sewer, and power services, internal road and pedestrian system, and Dartmouth-Halifax ferry terminals.	80:20	12 000

CANADA-NOVA SCOTIA SUBSIDIARY AGREEMENT
METROPOLITAN HALIFAX-DARTMOUTH AREA DEVELOPMENT

*Including:

(a) Direct Cost

(b) 10% Allowance (where applicable)

SCHEDULE "A"

(in \$000's)

Program/Project Description	Estimated Total Cost*	Federal Share*	Provincial Share*	SUB-PROJECT DETAIL		
				Description	Cost Sharing	Estimated Cost*
I. METRO DEVELOPMENT (cont'd)				(d) <u>Regional Water Supply</u> Design and construction of balance of regional water supply based on a supply source at Lake Pockwock. (Payments made under Special Areas and Highways Agreement are deducted from cost.) 10% allowance is not applicable.	70:30	30 770
				(e) <u>Dartmouth Ferries</u> Design and construction of two new ferries to operate between the downtown waterfront areas of Halifax and Dartmouth.	80:20	3 400
				(f) <u>Traffic Management Centre</u> Design and operating costs to establish a computerized traffic management system.	80:20	700

CANADA-NOVA SCOTIA SUBSIDIARY AGREEMENT
METROPOLITAN HALIFAX-DARTMOUTH AREA DEVELOPMENT

*Including:

(a) Direct Cost

(b) 10% Allowance (where applicable)

SCHEDULE "A"

(in \$000's)

Program/Project Description	Estimated Total Cost*	Federal Share*	Provincial Share*	SUB-PROJECT DETAIL		
				Description	Cost Sharing	Estimated Cost*
I. METRO DEVELOPMENT (cont'd)				(g) <u>Armdale Rotary</u> Design and construction of improvements to the Armdale Rotary.	70:30	120
				(h) <u>Portland Street</u> Improvement of Portland Street in Dartmouth from Joffre Street to the County Home Road, including interchange of the Dartmouth Circumferential Highway.	70:30	5 410
				(i) <u>Dunbrack Street</u> Design and construction of a new 4 lane facility along the right-of-way of the regional water supply trunk line between Kearney Lake Road and Bi-Centennial Highway.	70:30	10 810

CANADA-NOVA SCOTIA SUBSIDIARY AGREEMENT
METROPOLITAN HALIFAX-DARTMOUTH AREA DEVELOPMENT

* Including:
(a) Direct Cost
(b) 10% Allowance (where applicable)

SCHEDULE "A"
(in \$000's)

Program/Project Description	Estimated Total Cost*	Federal Share*	Provincial Share	SUB-PROJECT DETAIL		
				Description	Cost Sharing	Estimated Cost*
II. THE GATEWAY: THE PORT	1 500	1.200	300	(a) <u>Containerization Study</u> Feasibility and conceptual design studies of additional container facilities in the Port of Halifax.	80:20	1 000
				(b) <u>Inland Container Terminal Study</u> Feasibility and site selection study on the establishment of an inland container terminal for both domestic and import/export containers.	80:20	150
				(c) <u>Land Reclamation Feasibility Analysis</u> A feasibility analysis of land and underwater hydraulic fill.	80:20	350

CANADA-NOVA SCOTIA SUBSIDIARY AGREEMENT
METROPOLITAN HALIFAX-DARTMOUTH AREA DEVELOPMENT

* Including:
(a) Direct Cost
(b) 10% Allowance (where applicable)

SCHEDULE "A"
(in \$000's)

Program/Project Description	Estimated Total Cost*	Federal Share*	Provincial Share*	SUB-PROJECT DETAIL		
				Description	Cost Sharing	Estimated Cost*
III. INDUSTRIAL DEVELOPMENT	21 600	13 340	8 260	(a) <u>Airline Simulator Facility</u> Provision of equipment (simulator training) for training centre for air crews to be operated by Eastern Airlines.	70:30	3 400
				(b) <u>Feasibility Study</u> 1. Ship Repair - Financial Analysis 2. Cost-Benefit Study - Industrial Parks	80:20	200
				(c) <u>Industrial Land Development</u> Design and construction of road, water, and sewer services in approximately 200 acres in the Burnside Industrial Park and in the Lynch Estate Property.	50:50	9 000
				(d) <u>Bedford By-Pass</u> Design and construction of a by-pass route around Bedford linking Highway No. 7 and Trunk 101.	70:30	9 000
PROGRAMS I, II, & III TOTALS	110 810	79 997	30 813			

CANADA-NOVA SCOTIA SUBSIDIARY AGREEMENT
METROPOLITAN HALIFAX-DARTMOUTH AREA DEVELOPMENT
APPENDIX "A"

Background

Up to a few years ago, the economy of Halifax-Dartmouth, similar to the Atlantic as a whole, continued to lag behind Canada in terms of economic performance. From 1966 to 1971, the population of Halifax-Dartmouth recorded the smallest increase of any Metropolitan Area in Canada with a population of 200 000 or more. The rate of advance in Halifax-Dartmouth was only 1.2 per cent per annum, which while one-half above the Atlantic trend, was markedly below the range of 2.5 to 4.0 per cent experienced by most other larger centres in the country. The lack of expansion in the Halifax-Dartmouth area was a result in part of the relatively small gains recorded by the total Atlantic economies, illustrating the importance of an economically healthy hinterland to any major centre. At the same time, the lack of development in Halifax-Dartmouth acted as an important constraint to growth in the remainder of the Atlantic Region, reflecting the need for every broad region to possess a strong dynamic growth centre. In short, the economic fortunes of Halifax-Dartmouth are strongly inter-related with the fortunes of the provincial and total Atlantic economies.

It must be emphasized however that forces specific to Halifax-Dartmouth and to the period played a major role in impeding economic growth in the Metro area during the sixties. First, and perhaps most important, armed forces employment dropped by close to five thousand, representing a reduction of a third in a key sector in Metro's economic base. Analysis has suggested that, without this drop in armed forces personnel, population growth in Halifax-Dartmouth would have at least approached the range cited earlier for most major urban centres in Canada. Second, rationalization trends were apparent in other sectors of the Halifax-Dartmouth economy. For example, manufacturing employment in Metro recorded no increase but experienced substantial readjustment from low to high wage activities. These and other forces tended to mask the underlying strength in the Halifax-Dartmouth economy.

This strength has become more apparent in the last few years which have seen a marked reversal from the sluggish performance of the sixties. All of the major economic indicators have shown a marked upturn, with particularly strong improvements being shown by employment and labour force utilization. The recent economic surge has been very broadly based, with nearly all key sectors playing a role. First, manufacturing employment, after stagnating for over a decade, has moved upward based in particular on expansions in electronics, auto assembly, ship-building and activities oriented towards the Atlantic Region market. And the current evidence suggests that this advance will accelerate as manufacturing investment intentions in 1974 were almost double actual manufacturing investment in 1973. Perhaps just as important, manufacturing wages in Halifax-Dartmouth

are now closing in on the Canadian average (only three per cent lower in 1974), reflecting the continuing orientation towards higher productivity activities.

Second, growth in the Halifax container port has played an important role, as evidenced in part by the 15 per cent increase in transportation and communications¹ employment from 1972 to 1974. Third, construction activity has moved sharply upward, with an employment rise of 30 per cent in 1974 alone, based especially on business and commercial development, in the central business districts of both Halifax and Dartmouth.

Fourth, and perhaps most important, service activities have been expanding rapidly over the past few years, as Halifax-Dartmouth is now emerging as the major service centre in the Atlantic. Of particular significance is the marked expansion in the finance, insurance and business service categories. Many national firms have established regional offices in Halifax-Dartmouth, as they now find it easier and more economical to service the Maritime and Atlantic markets from the Metro area than from Montreal and Toronto. Also, employment in the trade category (including wholesale) has moved sharply upward, reflecting in part the growing role of Halifax-Dartmouth as a major distribution centre in the Atlantic economy. As a consequence, employment in the three service categories taken together² rose by over 30 per cent during the last three years alone. Further evidence of Halifax-Dartmouth's growing service centre role is provided by two other considerations: (i) retail sales per capita in Halifax-Dartmouth are now about even with Toronto and well above the levels in Montreal, Ottawa-Hull and Winnipeg, to cite only a few; (ii) about 700 000 square feet of additional office space are expected to be put in place in the Halifax-Dartmouth Metro area in 1975, compared with an average of about 170 000 square feet per annum from 1967 to 1974.

It should be emphasized that much of the growth in services involves an important type of import substitution and is not just "passive" or "induced" growth based on expansion in the goods producing industries. In short, the present upward trend in services is resulting in a significant expansion and diversification in the economic base of the Halifax-Dartmouth area.

The upshot has been a 21 per cent increase in large establishments employment³ in Halifax-Dartmouth over the past three years, or double

¹based on the large establishments survey, as are other employment figures used here.

²that is, trade, finance, insurance and real estate, and personal and business services.

³i.e. "industrial composite" employment.

the rate of increase for the Atlantic Region and the country as a whole⁴. This has led to substantial improvements in the rate of labour force utilization. The rate of unemployment in the Metro area averaged 3.7 per cent during the past year (compared with 5.4 per cent nationally), while the labour force participation rate averaged 61.7 per cent or three percentage points above the national standard. In both cases, the improvements from 1971 are more favourable than those for the country as a whole.

In short, the Halifax-Dartmouth area not only remains the most prosperous part of the Atlantic⁵ but more importantly is now coming to play a central role within the total Atlantic economy. As partial evidence of this, Halifax-Dartmouth accounts for only 15 per cent of the "level" of industrial composite employment in the Atlantic but accounted for 30 per cent of the growth in employment from 1971 on. The renewed growth of the port activities, the development of Metro as the prime service centre for the entire Atlantic Region, and the steady development of manufacturing have thus transformed the Halifax-Dartmouth Metropolitan area from a slow growth area to a major growth centre, with increasing links to the major metropolitan areas in the rest of Canada and the eastern seaboard of the United States. It can be argued, however, that Metro development to date has provided only limited benefits to the rest of the Atlantic, simply because the time involved has been too short to allow significant "spread" effects. It is essential, therefore, that the rapid rate of development and growth in the Metro area be sustained, not only to ensure continued prosperity for the residents of Halifax-Dartmouth but more important to ensure the generation of the maximum possible benefits for the remaining parts of Nova Scotia and the Atlantic Region.

Broad Benefits

It would be questionable at this time to attempt a full quantification of the benefits and costs resulting from the implementation of this Subsidiary Agreement. This reflects the generally intangible nature of many of the associated benefits and costs.

Five broad benefits are anticipated to arise from the implementation of this Subsidiary Agreement.

- (1) The implementation of the Subsidiary Agreement will provide employment for future additions to the work force, particularly additions based on in-migration from other parts of the Atlantic. This will allow a larger proportion of the Atlantic Region population to share in Halifax-Dartmouth's high standard of living.

⁴and given the apparently growing role of small firm activity in Halifax-Dartmouth, the expectation is that the advance in total employment would at least be comparable.

⁵with per capita and family incomes about 10 per cent above the national average.

- (2) The Subsidiary Agreement will help to ensure that expansion goes forward in an orderly manner, with the generation of the minimal amount of "disbenefits" generally associated with high growth. This will help to protect one of Halifax-Dartmouth's more important development assets, its currently pleasant environment. The waterfront project and the transit initiatives to be outlined further on are critical to the realization of this "benefit".
- (3) The Subsidiary Agreement will assist in ensuring that the current upward momentum in the Halifax-Dartmouth economy is sustained. This is important both in its own right and for generating the maximum possible benefits from Metro growth for the remaining parts of Nova Scotia and the Atlantic. As noted earlier, these spread effects have been limited to date if only because of the limited duration of the current upswing. The beneficial effects to other Atlantic areas are related to (i) growing Metro markets for their goods and services, and (ii) continued growth in Metro's capability to provide the other areas with higher order goods and services.
- (4) Related to the previous "benefits", the implementation of this Subsidiary Agreement will lead to a better integrated Atlantic economy. Crucial here is the transportation/distribution system (i.e. the Gateway), but increased Metro activity in the more highly skilled manufacturing and service activities will also play a part.
- (5) The Subsidiary Agreement will assist in the restructuring of the Halifax-Dartmouth economy towards more highly skilled activities. In this manner, Halifax-Dartmouth will play a leadership role within the Atlantic economy in terms of higher wages and the development of skills and entrepreneurial capacity. This will have over time an important "demonstration effect" on other parts of the Atlantic by showing (i) Atlantic residents that they can develop the skills and entrepreneurial capability required for the last quarter of the twentieth century, and (ii) potential entrepreneurs that higher skilled activities can prosper in an Atlantic environment. The restructuring of the Atlantic economy will thus begin with Halifax-Dartmouth and then spread to other parts of the Region.

Development Opportunities

The major development opportunity that has been identified at this time is the Halifax-Dartmouth Waterfront Project. It is anticipated that the project will generate an investment by the private sector of \$150 million.

As presently envisaged, this project will provide for revitalization of the waterfront areas on both sides of the harbour, with new commercial space, retail space and housing, including office facilities for federal, provincial and possibly municipal levels of government, mingled in with the historic old town aspects of the existing waterfront. The project will have major social implications in terms of providing access to the water-

front for citizens and visitors alike. Public sector inputs will be aimed at the basic infrastructure and the other public facilities and amenities necessary for the successful realization of the project.

Other major development projects are currently proceeding on purely private sector terms, and in the future other developments will occur involving both totally private money and joint public/private initiative.

To date, the plans have not been finalized; however, the waterfront project is perceived to consist of the following elements. These numbers are approximations and give the estimated size and scope of the total project.

Halifax Waterfront

	<u>Approximate Sizes</u>
Federal Offices and Facilities	800 000 - 1 000 000 sq. ft.
Provincial Offices and Facilities	400 000 sq. ft.
Private Offices	300 000 - 400 000 sq. ft.
Hotel and Retail	400 units
Housing	750 units
Retail Space	70 000 - 150 000 sq. ft.
Associated Parking	2 000 stalls
Municipal Facilities	-
Ferry Terminal	-
Internal Pedestrian System	-
External Pedestrian System	-
Recreational Space	-
Open Space	-
Cultural Facilities; i.e. Museum, Aquarium, etc.	-

Dartmouth Waterfront

	<u>Approximate Sizes</u>
Public Offices	16 000 sq. ft.
Commercial and Retail Space	23 500 sq. ft.
Ferry Terminal and Facilities	10 500 sq. ft.
Associated Parking	539 stalls

Benefits which would accrue from successful completion of this project include the following:

- (1) It revitalizes in a meaningful and dynamic way significant sections of the waterfronts of Halifax and Dartmouth, making the environment alive and active twenty-four hours a day through

a variety of land use, and providing public activities and spaces on the waterfronts available to the citizens once again. This revitalization would be key to the generation of a viable City core with respect to the Historic Site Development and the Citadel and with a realistic balance between growth and environment.

- (2) It establishes a major federal presence in the Metropolitan area to emphasize the importance of Halifax-Dartmouth as the major centre of Atlantic Canada.
- (3) It provides, in an interesting and organized fashion, accommodation for the various public bodies and agencies in order to improve efficiency and economy of operation over the next decade.
- (4) It revitalizes the significant public land holdings in the waterfront areas to their highest and best use and, in so doing, acts as a catalyst to spur private sector investment and increase assessment revenue to the municipality.
- (5) It creates required infrastructure in the area which will have additional capacity to accommodate future growth without further involvement of the public sector.
- (6) It demonstrates the potential of inter-government programs to further larger, regional, economic programs utilizing federal and provincial facility requirements as a catalyst and to provide a prototype model for future programs.
- (7) It demonstrates the effectiveness of public and private sector co-operation to the benefit of all interest groups as well as to the community.
- (8) It provides and complements the federal Historic Site Development with an attractive setting and a potential year round market rising from employment within the total development.
- (9) It creates local employment, both during the immediate design and construction phase, and in the long run operation of the various activities put in place.
- (10) It initiates secondary activity within the Atlantic Canada economy by disbursing funds through contracts, equipment and material purchases, and employment in the local manufacturing firms.
- (11) It creates an environment within which the private investor will feel disposed to invest for a reasonable return.
- (12) It provides a physical and intellectual interface from which can spawn entrepreneurial, technological and scientific development.

Some quantification of the benefits of the Waterfront Development can be made tangentially by assessing the impact in terms of office space provided in the Metropolitan Area. On average, over the past decade, approximately 150 000 square feet of office space has been built every year. In recent years, the underlying average is perhaps higher than that, at approximately 200 000 square feet. 1975 will be an exceptional year, because projects that would otherwise have been completed in 1974 have been delayed by material shortages, and so a very large amount of space will be completed in 1975. Without special support, it is anticipated that the Metropolitan Area would support an increment of approximately 200 000 square feet per annum in office space. With the special effort, with continuing focus on the development of Halifax-Dartmouth as a Regional Centre, with support infrastructure provided, and with special incentives provided for the Halifax Waterfront Development, which will in itself incorporate approximately 1.4 million square feet of office space, it is anticipated that an annual increment of 400 000 square feet can be maintained for the foreseeable future.

At an approximate area per employee of 100 square feet, this means that instead of adding 2 000 jobs per annum, the area will add 4 000 jobs per annum within major office space. This is consistent with other projections indicating a total increment of 50 000 jobs within the decade, as approximately 80 per cent of jobs will be located in commercial space.

In numerical terms, the impact of this can be estimated in 1974 dollars to be 2 000 jobs at an average of \$8 000 per annum, which is an income benefit to the community and to the region of \$16 million. Over five years, this rises to \$80 million of benefits in terms of income, and the total accumulated income increase would be \$240 million in 1974 dollars. It is not valid to subject this income benefit to multipliers of any kind, as much of the employment is in itself service activity, relating to other economic bases.

In addition to the job creation involved in the offices themselves, the construction phase will account for an additional \$20 million per annum of construction activity, again in 1974 dollars. Over five years this represents an increase of the total income in the construction industry of \$100 million.

Regional Water Supply

The regional water supply is included because it is the essential infrastructure to ensure the success of the waterfront project. Indeed, the existing water supply is close to capacity, and continued development of the Halifax side of the harbour demands that the new water supply system be established.

Specifically:

- (a) Halifax and Bedford-Sackville have reached a point where

their peak daily water demand is greater than the present system's minimum water flow during the dry season. The anticipated demand, caused by the commercial, industrial, service and residential development related to the waterfront opportunity, can only be met by the development of an adequate regional water supply.

- (b) The water rates in this area are high by national standards. If the regional water supply system is financed by private means without any public assistance, at today's interest rates and escalating construction costs, the effects will be a water rate that more than triples the present rates, with a resultant depressing effect on the economic growth of the region. In order not to be a deterrent in attracting business, industry and people to the metropolitan area, the water rates should be reasonably close to the national average. A small differential is acceptable; however, differences in the magnitude of 200-300 per cent are detrimental to economic growth and militate against development.
- (c) A delay in construction will result in higher construction costs which means even greater water rates.
- (d) Under the Special Areas Agreement, which expires March 31, 1975, DREE has made a sizable contribution via loans and grants toward the costs of the water system. If there are no further funds provided by DREE, the Province has stated that it does not have the funds required to complete the project.

It is planned to construct approximately 16 miles of transmission main to carry the water by gravity from the treatment plant at Pockwock Lake to the City of Halifax and into Bedford. The line will connect into the North-End Feeder by means of a control chamber near Main Avenue at Dunbrack Street in Halifax and into the Geizer Hill and Cowie Hill Reservoirs, as well as connect into the Bedford Reservoir. Transmission main sizes vary from 60" through to 30". The project is as described in Special Areas and Highways Agreement, Projects 3.1 and 3.2.

Dartmouth Ferries

The harbour itself represents a major transit barrier, and the isthmus of Halifax peninsula is extremely narrow, with only a limited capacity for road works.

While the waterfront development as presently planned locationally is primarily centered on the Halifax side of the harbour, significant spread effects, apart from those proposed under the development scheme, are

envisaged to occur on the Dartmouth side. This appears evident by the current space constraints and view plane requirements on the harbour side of Citadel Hill in Halifax. The result would undoubtedly mean increased land costs and constraints on development of the "service centre agglomeration" considered necessary for the full fruition of the waterfront development opportunity. In other words, there must be room over and above that provided for the proposed Halifax Waterfront Development to allow self-sustaining growth of the Metro service centre.

A solution that appears to preserve the apparent need for close proximity of business to business is to ensure that growth can occur in the Dartmouth downtown area and yet maintain a close working relationship to the Halifax downtown area. The mechanism currently available linking downtown to downtown is the Dartmouth ferries (with existing boats, a 15 minute link). With the Waterfront Development and spread effects to Dartmouth, their role would be increasingly important.

In addition to this function, the ferries also serve the need of a transit vehicle moving people to downtown Halifax in a reliable way not influenced by traffic levels.

The present ferries built approximately twenty years ago are of wood construction which by Ministry of Transport standards are not suitable in the future for harbour service, subject to high maintenance costs and are not as fast as might be desired. In fact, they are obsolete.

As a result, Canada in concert with the Province will participate in the purchase from Atlantic yards of two new steel-hulled ferries for the Halifax-Dartmouth service. The reasons, indicating the benefits of this investment and its relationship to the success of the Waterfront Development opportunity are summarised in point form below:

1. maintaining of a close downtown-to-downtown relationship of business to allow self-sustaining growth of the Metropolitan service centre;
2. assist in supplying transportation of a labour force to the development areas in a way which does not contribute to highway congestion;
3. support local shipbuilding facilities;
4. act as a tourist attraction.

Traffic Management Centre

Traffic studies undertaken in the Halifax area identify severe transportation problems requiring extremely high cost solutions using conventional methods of upgrading the existing highways. The establishment of the Halifax Waterfront Development and resulting increased traffic flows will aggravate this problem, particularly in peninsular Halifax.

This project utilizes a new approach to improving the traffic system in the Metropolitan Area, through an integrated management authority, combining planning, engineering and operating people and responsibilities. It will take two years to complete, and covers the costs of consultants and overhead management costs.

Armdale Rotary

The Armdale Rotary is the major bottleneck at the neck of the peninsula, and the proposed solution is very much along the lines of the approaches that the Traffic Management Centre will be taking. The solution involves a separation of traffic flows, by limiting the number of interchanges that can occur at the Rotary. This is a low cost, at-grade solution.

Portland Street

Portland Street is the main artery in Dartmouth linking the residential concentrations in the Woodlawn, Colby Village and Cole Harbour areas to the downtown areas of Halifax and Dartmouth. Improvements to this artery will alleviate present serious bottlenecks at the intersections with Woodlawn Road and the Circumferential Highway. In addition, if present residential development trends continue, a study under the Special Areas and Highways Agreement estimates that upwards of 11 800 cars per day could be moving to downtown areas via Portland Street. This means a peak hour load of about 5 600 cars; well in excess of present street capacity and virtually isolating a projected population of 80 000 from work in downtown Dartmouth and Halifax.

The extension and upgrading of Portland Street will consist of its upgrading to a basic four-lane arterial from Joffre Street to Spring Avenue. From Spring Avenue to the County Home Road the upgrading will be more modest. Total length will be approximately 3.5 miles.

There is provision for a major intersection with the Circumferential Highway as well as access intersections to Woodlawn Road, Penhorn Mall and other exits along its route. Costs for interchanges and approach roads are estimated at \$2 million and for upgrading Portland Street itself \$3 million. Design is as outlined in the Special Areas Agreement Study 3.7.

Dunbrack Street

Dunbrack Street extension from Bicentennial Drive to Kearney Lake Road on mainland Halifax is perceived as a major step in relieving bottleneck situations by extending the range of options open to all traffic to choose different entrances to the peninsula. More directly, the project provides access to the Metro core for a projected population of 110 000 in the Bedford-Sackville area. Also, the Regional Water Supply Trunk Line is contained within the right-of-way for Dunbrack Street extension and affords the opportunity to take advantage of cost savings offered by dual construction.

Dunbrack Street will be a four-lane divided arterial road extending from Kearney Lake Road to Bicentennial Drive. At the intersection with Bicentennial Drive will be a major interchange. A smaller one will be located at Kearney Lake Road. Other access will occur along its route particularly at Main Avenue to allow traffic to disperse itself into the city. Costs are estimated to be approximately \$5.2 million for the section of Bicentennial Drive to Lacewood Drive and \$2.2 million from Lacewood Drive to Kearney Lake Road including intersections. Length will be approximately 2.9 miles. Design is as outlined in the Special Areas Agreement Study 3.4 and 3.5.

Potential Development Opportunities

The potential development opportunities that merit further investigation are essentially the same as those underlying the favourable economic trends of the past three years. A wide range of potential development opportunities has been identified for the Halifax-Dartmouth economy in a number of different processes, including the early work of the Metropolitan Area Planning Committee, the joint task groups (particularly secondary manufacturing and services) under the previous Joint Planning Committee, the DREE policy review, and the on-going work of the Department of Development and DREE Halifax.

As noted in the DREE policy review, perhaps the key potential development opportunity remains the Halifax container port and associated "spin-off" activities under the Gateway concept. The latter includes distribution and assembly activities, plus business services related to the port. Some spin-off opportunities have already been realized but this could be greatly accelerated given continued growth in the container port and appropriate government policy interventions.

(i) Container Port

The impact of the container port, built in 1969, on the economy of Halifax-Dartmouth and of the Province has been most impressive. Today there are 250 people employed on the container pier and another 250 working on the waterfront at container port related activities; i.e. pilots, tugs, etc. Given a multiplier of 4, over 1 000 jobs have been created by the container port.

Provincial studies have shown there is a much greater impact on the provincial economy, because of the utilization of containers by business and industry to ship Nova Scotia made products to their Canadian and international markets. These businesses are taking advantage of the improved rail service and lower transportation costs brought about by containers and the container port. Their products are competitive in the world market place due to these reduced costs.

By 1975, the container port has reached an enviable position. It has earned an international reputation for reliability, excellent labour relations, and quick turn around time. This is imperative for large container ships, whose operating costs exceed \$10 000 per day.

This prosperity has also created an opportunity. The present facilities will reach their capacity before 1975 passes. Thought and planning must turn towards either expansion of the present facility or relocation to another site, and it must be done now; otherwise, the container port's hard earned reputation will be eroded as ships sit in the stream losing money while awaiting a berth.

Additional berths will increase the port's capacity and will create new jobs, adding to the growth of the area. The container business is an important link in expanding international trade. Both the percentage of goods shipped via containers and the volume of shipping itself are escalating.

Projections by the Department of Development, using a Canadian Transport Commission study, indicate that in dollar terms the potential income impact to Nova Scotia from the additional container traffic that could be handled by increased facilities could reach \$99 million over the period 1976-1985, certainly indicating the need for additional investigation of this potential developmental opportunity.

In addition, it is foreseen that as traffic flows increase, local utilization of the container port will also increase. The container transportation system will increasingly become a real service to existing Atlantic region manufacturing, and will also become a major attraction point for new manufacturing enterprises.

Existing firms such as Volvo, Scott Paper, and IMO Foods have been able to improve their transportation efficiencies and expand their output through utilization of the container pier. New arrivals such as Michelin have been able to locate in Nova Scotia, confident that their transportation requirements can be taken care of. It is confidently predicted that Atlantic Region firms will make increased use of the container transportation service as time goes by, and that new firms locating in the region will do so, at least in part, because of the superior transportation services offered.

Feasibility and conceptual design studies of additional container facilities in the port of Halifax including detailed financial and cost-benefit analysis of alternate sites, conceptual design and block layout design, required off and on site supporting infrastructure requirements such as back up storage, transportation and distribution facilities, and an environmental impact assessment, are estimated to cost \$1 million.

Landfill

A feasibility analysis of land and underwater hydraulic fill, including the identification of potential sources and quantities, the absolute and comparative cost of its extraction, transportation, and installation, an assessment of its environmental impact, and the design of an implementation strategy to be used as landfill for land reclamation of Halifax Harbour for industrial and commercial purposes including the waterfront development project and additional container facilities are estimated to cost \$350 000.

(ii) Gateway Concept

Because of its favourable location on the north Atlantic trading routes, Halifax-Dartmouth may have a unique viable opportunity to create from 1 000-35 000 jobs as a transshipment and warehousing centre for goods and products imported into North America from Europe, Africa and western Asia, and vice versa.

The site would be situated inland, away from the harbour area, in the Windsor Junction-Beaverbank district. Here land costs are lower than in the Halifax-Dartmouth area and they are substantially below those of major North American cities.

The scheme would call for construction of giant warehouses to house the goods and the related control systems and hardware. The Halifax-Dartmouth Metropolitan Area could become a centre of expertise in container traffic management.

The use of sophisticated computers to control the inventories could lead to the establishment of a much needed computer software industry which would serve the entire business community. This area can never hope to realize its full potential, if it does not have the benefit of computers, and the high technology industries associated with them.

The feasibility studies included in this Agreement under the program "The Gateway: The Port" are a necessary step towards development of this opportunity.

Industrial Development

The third program in this Subsidiary Agreement is concerned with industrial development. The most promising activity areas are high technology and ocean oriented industry. MAGI has been established to encourage the development of high technology industries and it appears that this effort will get underway very shortly. Ocean oriented industries appear to have extremely strong future prospects. The location of basic research facilities provided by the Bedford Institute of Oceanography, the Nova Scotia Research Foundation, and other such federal and university institutions places Metro in an excellent position to capitalize on this

opportunity. For example, the private sector has already investigated and is showing substantial interest in a major ship repair facility for the harbour.

More recently, an example of a high technology industry is the anticipated training facility for aircrew to be developed by Eastern Provincial Airlines. This establishment located at Halifax International Airport is to train all aircrew for E.P.A. and will offer training for all domestic and foreign airlines' crews and staff. The location of this training centre will probably strengthen the E.P.A. decision to locate aircrew and staff headquarters in the Metro region. The realization of this opportunity would result in an investment by the private sector of approximately \$8 million with the location of 350 employees in Halifax Metro. Aircrews are presently trained in the United States. The E.P.A. objective would train aircrew in Canada and develop a technology that would advance with change and demand in the airline business.

It is also becoming apparent that Halifax-Dartmouth has an excellent chance of continuing to attract new warehousing and distribution operations. This kind of activity is an important part of the production-marketing process for any product and as such represents potential gains of a substantial nature in terms of wages and salaries and value-added. Market size in the Atlantic region now makes it feasible for many industries to shift this activity (and the benefits accruing thereto) to the Atlantic Area, whereas previously the growth would have taken place in Toronto or Montreal.

A major problem faced in planning for the Metropolitan Area was the development of industrial parks in locations which would ensure maximum accessibility and minimum nuisance. The chosen area for industrial activity was the north-east quadrant of the city stretching from north Dartmouth through into the Beaverbank-Windsor Junction area.

The major industrial park is the Burnside Industrial Park, which has been extremely successful in recent years, even though it has necessarily had to charge high prices for land, because construction costs on this site have been very high. It is intended to develop the next phase of this industrial park, so as to be able to keep pace with growing industrial demands.

All of the service land in the Burnside Park has been utilized. The funds provided under this Subsidiary Agreement cover the cost of site preparation, the necessary infrastructure elements, including sewer, water, and the roads network, in order to access an additional 200 acres. Having these 200 acres available for new or relocated industries will help in the systematic planning of the Halifax-Dartmouth Metro Area. It will prevent random and scattered industrial siting and promote the orderly and economic location of industry which will naturally result in the maximum benefits to the entire area.

In order to estimate the impact of the continued input of assistance to industrial park development in the Metropolitan Area, it is assumed that, in the absence of such assistance, park expansion would be delayed. In order to estimate this impact, it is assumed that approximately half of the investments would be delayed an average of two years. Thus, the incremental benefit of continued involvement in industrial park development amounts to approximately 1 000 jobs per annum for two years, for a total of 2 000 jobs, at an average income again of \$8 000. This puts the value of making usable industrial land available at \$16 million in income over the next two years. If it is assumed that the local governments would continually defer park development, then assistance could be valued at \$8 million per annum for the foreseeable future. This is considered to be an unreasonable assumption, as local governments have indicated that they will utilize income from park developments to continue development of industrial space, and so it is considered valid only to include the benefits for the next two years.

In calculating these benefits, it has been assumed that with the very dense utilization made of industrial park space in Burnside, approximately 20 jobs will be created per acre of industrial land utilized. (The present average is 17.8 employees per acre, but this is increasing.)

Again, there would be substantial multipliers from this activity, but many of them would already be reflected in the estimates of impact of the Metro development, and so no attempt is being made at this stage to assess indirect benefit.

A major bottleneck in that north-east area of the Metropolitan Area is in the Bedford area and it is proposed to build a Bedford By-Pass, which will enable traffic to flow more easily between the major residential areas of Sackville and the major industrial area of Burnside. This will also have a significant impact on the ease of truck movements in and out of the Burnside area, onto the provincial trunk highway system.

The next phase of development of Burnside will essentially complete a major phase of development, and it is proposed to study the feasibility of developing new industrial areas.

As mentioned above, considerable interest has been shown by the private sector in establishing a ship repair facility. It is proposed under this Agreement to study this potential opportunity in considerable detail.