



Port of Halifax

Consultation on Port Expansion Options – *FINDINGS*

Hill+Knowlton Strategies

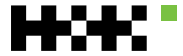
May 2019

The Halifax Port Authority (HPA) contracted Hill+Knowlton Strategies (H+K) to conduct an online consultation that would engage residents in Halifax and across Nova Scotia about the Port of Halifax, the need for an expansion, and considerations related to container terminal infrastructure. The consultation aimed to educate the public about HPA's infrastructure planning objectives, process, recommended option and plans, while also providing a forum to engage citizens.

We had the following objectives:

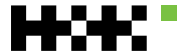
1. Describe the economic opportunity, options for expansion and rationale for recommended option
2. Gather public feedback on the recommended option
3. Identify and facilitate opportunities for future public participation
4. Identify on-going public information needs

The approach was designed around H+K's proprietary online engagement tool – Choicebook™. Choicebook™ is an interactive online consultation tool, allowing the HPA to present participants with information and gather informed feedback. Throughout the Choicebook™ we allowed the public to share their perspectives by answering both closed and open-ended questions. We ensured the information relayed by HPA was clear and transparent about where the status of the expansion process, set clear expectations about how participant feedback would be used and outlined next steps in the engagement.



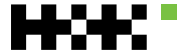
To better understand how this expansion impacts residents, the Choicebook™ consultation tool was shared with two separate groups.

1. The **Open sample (“Open”)**, included responses from any and all individuals interested in contributing to the discourse, and was not statistically weighted.
 - This Choicebook™ was fully completed online by **1,105 participants** between March 18 and April 18, 2019. Some or all of the questions were answered by a **total of 1,911 participants**.
2. The second group, the **Panel sample (“Panel”)**, included responses from a representative sample of the Nova Scotia population, weighted based on the 2016 census according to age, gender and region.
 - This Choicebook™ was completed online by **1,012 participants** between April 16 and 25, 2019.

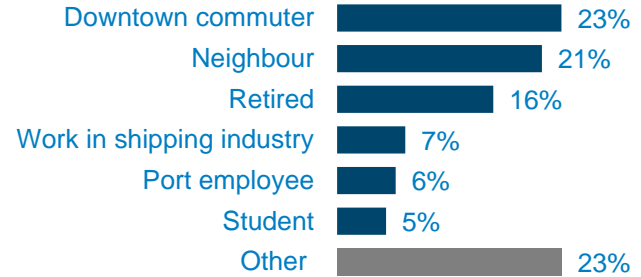
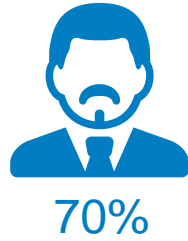


- A **large majority** of respondents in both the Open and Panel samples agreed the Port plays an important role in the region's economy, understand the rationale for expanding the Port and support doing so.
- **4 in 5** respondents from both groups **trust** the Halifax Port Authority **to make the right choice** about infrastructure expansion and a majority of both groups agreed with statements that supported the Port's ability to make decisions overall.
- When presented with information about the proposed expansion options, **more participants in both sample groups expressed support for the Halterm North option than for Dartmouth**. Participants in the Open sample were much more likely than the Panel to strongly support the Dartmouth option, while the number of strong Halterm North supporters was roughly equal across samples.
- The **impact on local neighbourhoods** stood out as a top priority for both groups, but differed on other priorities.
- Participants from both groups indicated they were **concerned about the volume of trucks** downtown and supported options to reduce it. There was a **clear interest in potential rail solution** for truck traffic.
- **< 5%** in either sample participated in previous consultations. Open sample participants who were consistently more likely to indicate an **interest in further engagement**, to do so definitively and most often preferred in online surveys and discussion forums.

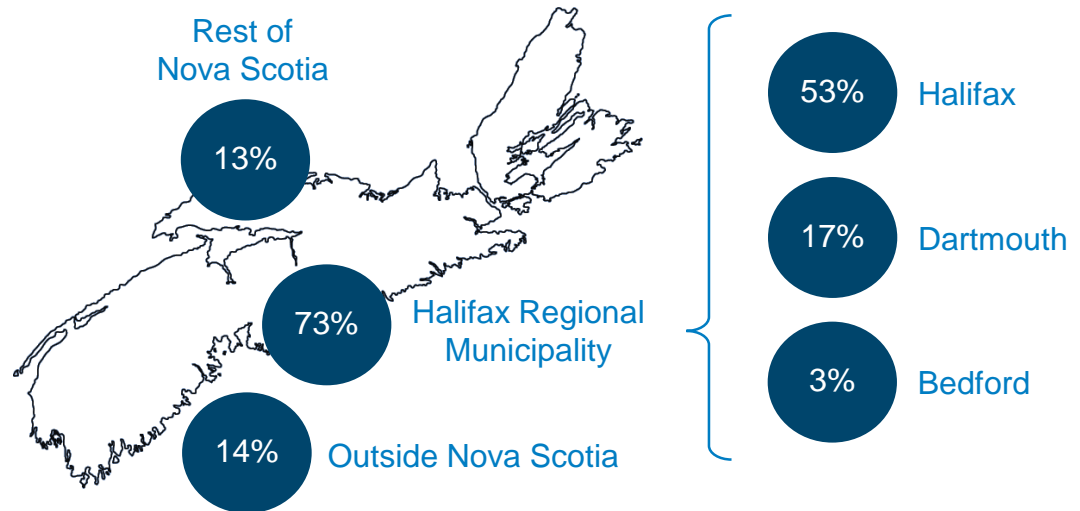
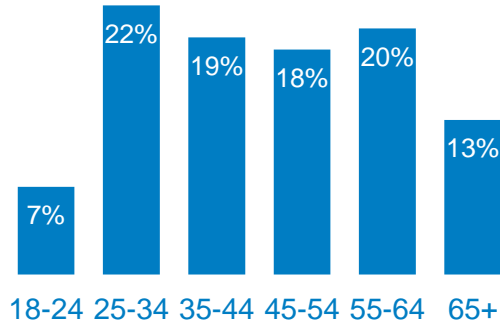
Open Sample Response Profile



n=1,911

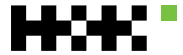


Age



** Note: Due to sample sizes, certain perspectives and regions are not isolated for individual analysis in this report

Panel Sample Response Profile



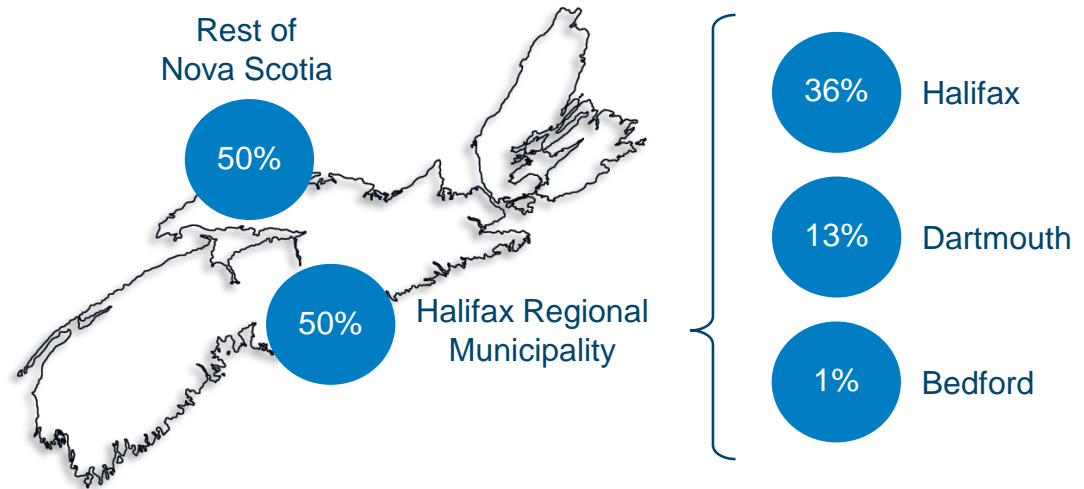
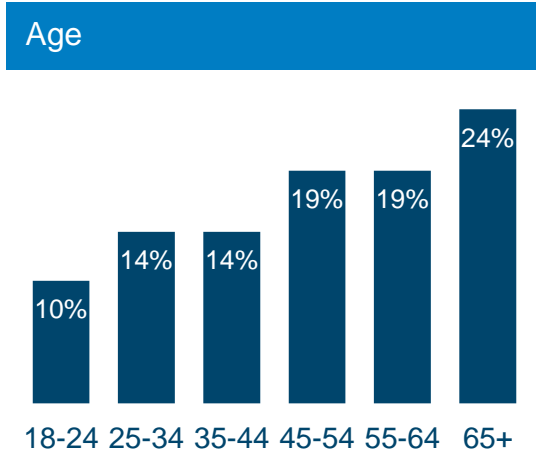
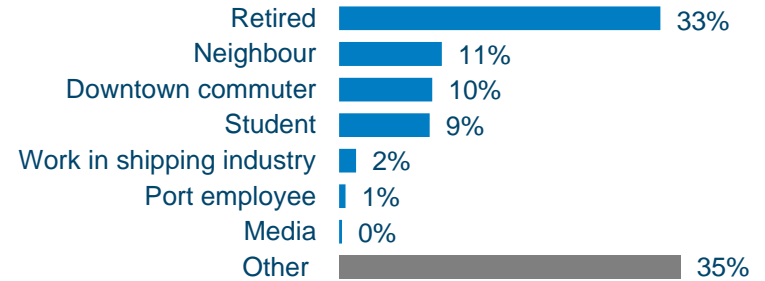
n=1,012



48%

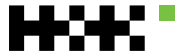


52%



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Context Provided: Why do we need to expand our Port?

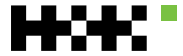


Halifax is Canada's Atlantic Gateway. It's an important asset that provides jobs, economic growth & social benefits for our community and the east coast. Over 12,400 people have full-time jobs because of the Port's operations.

But, our port – and all the economic benefits that come with it – is at risk if we can't meet our customers' needs.

The global shipping industry is moving towards bigger container ships called “ultra-class” vessels. We are extending our berth infrastructure to service two ultra-class vessels by 2020. Without it, shipping lines will bypass Halifax, resulting in shrinking business and lost jobs. This, however, is an intermediate fix.

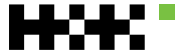
To plan future terminal, rail, and berth capacity to meet demand, the Halifax Port Authority has been working on expansion plans. We want to hear your views about this expansion, including what you think about the options we are considering.



The Port of Halifax is a regional economic engine, generating more than 12,400 jobs and contributing over \$1.7 billion in impact to our economy each year.

The world's largest shipping lines call on the Port of Halifax, connecting the port to more than 150 countries. Offering a natural, deep harbour and world-class infrastructure, Halifax can accommodate large volumes of containerized cargo, bulk cargo and project cargo of any size.

Nearly 2.5 million metric tonnes of Atlantic Canadian seafood, vegetables and wood products are exported through the Port of Halifax each year and 1.9 million metric tonnes of clothing, manufactured goods and furniture enters Canada through our international gateway.



Global container shipping lines are now using very large “ultra-class” container ships that put demands on port infrastructure worldwide.

Other North American ports are making significant infrastructure investments and upgrades to make room for these bigger ships.

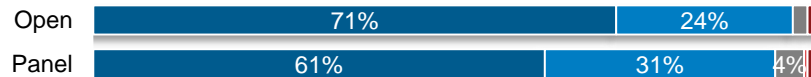
The Port of Halifax welcomed its first ultra-class container ship in the summer of 2017. But, our existing port facilities can only berth one (1) ultra-class ship at a time. And, shipping companies need a minimum of two (2) ultra-class berths, to avoid potentially costly delays.

What all this means is that unless Halifax expands its port facilities to add a permanent second ultra-class berth with new terminal and rail capacity, the shipping industry will choose to bypass Halifax and use U.S. ports – taking jobs and economic potential with them.



Please indicate your level of agreement with the following statements:

“The Port of Halifax plays an important role in our region’s economy”



“I understand the rationale for expanding the Port”



“The Port of Halifax makes an important contribution to our region’s quality of life”



“I support expanding the Port”



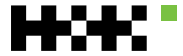
“I am concerned about a potential loss of jobs if the Port is not expanded”



Strongly agree



Strongly disagree

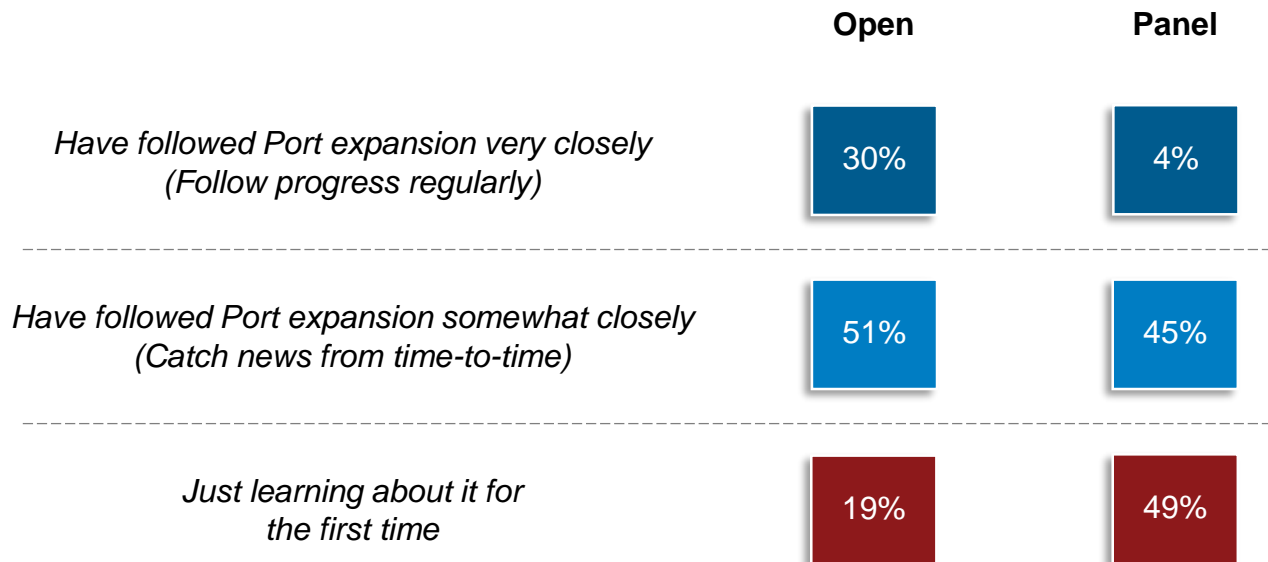


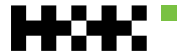
We have been working on options for expanding our port facilities for the past few years. In 2016, we conducted a public consultation to hear views from experts, stakeholders like local businesses, and the public.

Through our public survey, participants told us that:

- Economic growth and employment were top priorities for them when it comes to the port
- 82% strongly supported investments in port facilities to be more globally competitive
- Managing container truck traffic & disruption during expansion is important

How closely have you been following news about the port expansion?





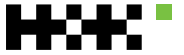
To help us study different expansion options, we hired a firm called WSP. They are a team of experts that specialize in port planning. They conducted an in-depth study of options for expanding Port of Halifax operations to accommodate two ultra-class vessels at the same time. That's the minimum we need to meet the changing global shipping industry's needs and to stay competitive.

While WSP was studying these options, we began constructing a temporary solution to accommodate two (2) ultra-class ships. But this is only a short-term fix. Expanding the Port is about a long-term solution.

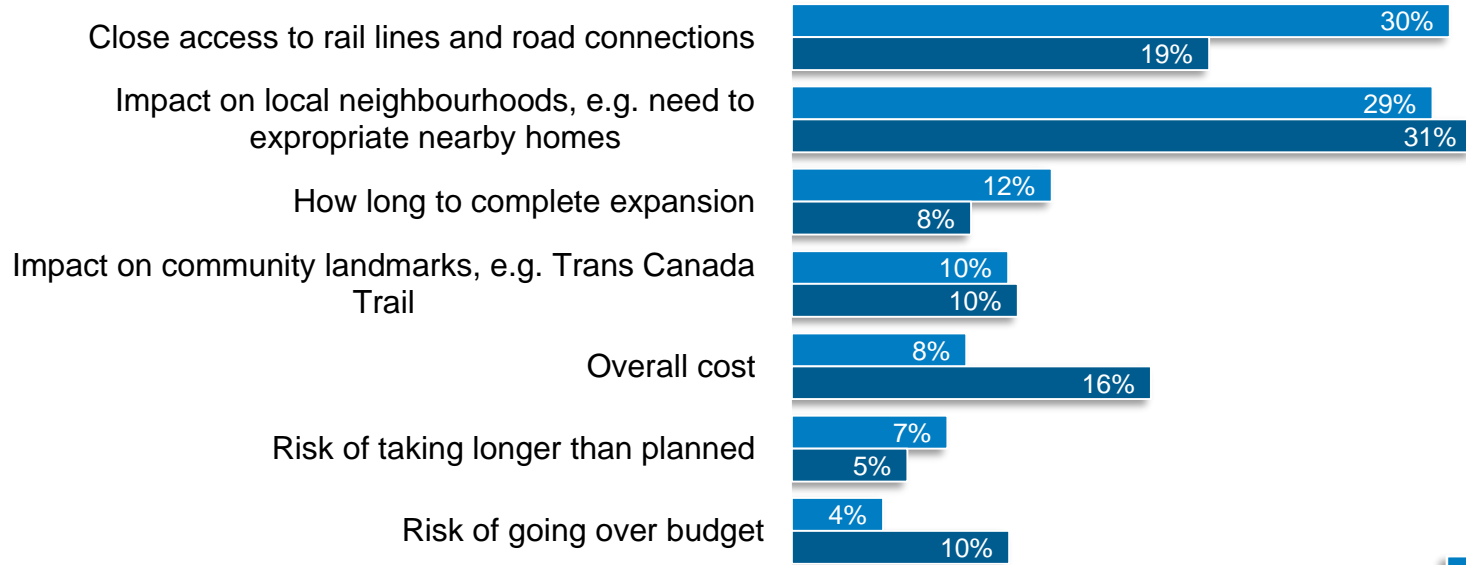
In studying each expansion option, port planning experts (WSP) considered a range of different criteria. These can be put into three categories:

1. **Technical:** Factors like how difficult the expansion would be to implement, and risks of going over budget or longer than scheduled.
2. **Business:** The overall costs and how quickly the expansion could be up-and-running. The faster the expansion can be completed; the less likely Halifax will lose business.
3. **Social-Environmental:** Potential impacts of each option on residents and our natural environment.

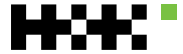
The consultants focused their work on expansion options at Dartmouth and Halterm, the existing South End Container Terminal.



If you were assessing expansion options, what would be your top priority:



Open
Panel



One option is to create a container terminal in Dartmouth.

Cost: \$1.415 billion plus land acquisition costs for terminal and railway (2017 CAD)

Completion date: 15+ years

Factors to consider:

- Removes truck and rail traffic from downtown Halifax but moves them to Dartmouth.
- A new 22.5 kilometre Dartmouth rail line, supported by a new rail storage yard, would require assessing potential environmental impacts with unknown mitigation.
- Development timeline would risk displacement of cargo to U.S. ports, as our existing terminal storage and on-dock rail capacity would be insufficient.
- Global terminal operators have expressed operating cost competitiveness concerns.
- Creating a container terminal in a new location will impact other Port operations.
- Moving cargo operations to Dartmouth would open up space on the Halifax waterfront that could be redeveloped at some point in the future, e.g. to condos, businesses or mixed use
- Dartmouth is the most expensive option – 3 to 4 times as expensive as some of the others
- The Dartmouth option would require building 22.5 km of new rail lines that would cross environmentally sensitive areas like watersheds and park reserves



Another option is to expand Halterm, the South End Container Terminal. This option would expand the terminal north, into Ocean Terminal, with new rail and terminal capacity where containers are moved, stacked and loaded to rail.

Cost: \$416 million (2017 CAD)

Completion date: three years from approval

Factors to consider:

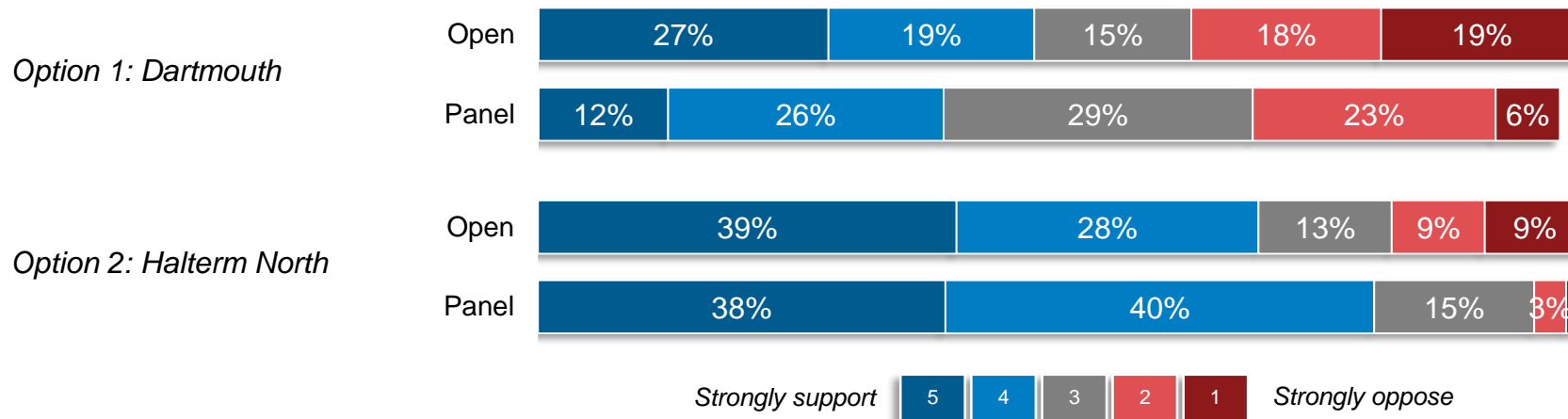
- This option is the least expensive and would be up-and-running the quickest
- Requires relocating the existing Ocean Terminals users and tenants
- No impact to views from Point Pleasant Park
- Could be integrated with a truck solution for downtown Halifax

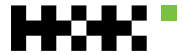


- This option would have little/no impact on navigation in the harbour or on lands nearby, e.g. Point Pleasant Park
- Of all the options, this one has attracted the most commercial partner interest
- There would be some disruption to port operations in the short-term because current facilities and equipment would have to be relocated



To what extent do you support or oppose this option for expanding the port?





Based on assessment, the port planning consultants recommended Halterm North as the best choice for expanding the current South End Container Terminal facility (Halterm).

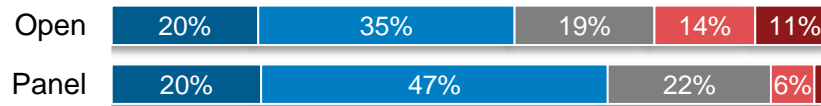
Their rationale is that:

1. It is the most cost-effective option, and the option that would be completed the earliest.
2. It offers the least impact on our parks and natural environment.
3. It is the easiest to build and has the lowest risk of funding problems.
4. Meets the timeline requirements of the container shipping industry, competitive U.S. port development and keeps the port growing.

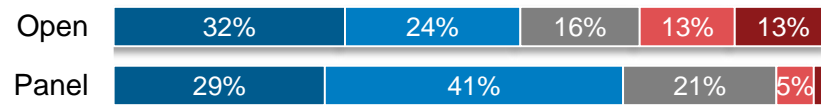


Please indicate your level of agreement with the following statements:

“I would support the Port’s decision, even if the option selected were not my first choice ”



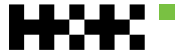
“Considering all the factors, I feel like the Halterm North option is the right way to expand the Port’s container terminal operations”



“I trust the Halifax Port Authority to make the right choice about expanding the Port’s container terminal operations”



Strongly agree 5 4 3 2 1 Strongly disagree



A modern gateway port needs efficient rail and road networks to move containers quickly and easily to their final destinations, like local stores across our region.

Today, most of the containers that come through the Port of Halifax are transported by train without touching highways in Nova Scotia. Future cargo growth at the Port will continue to travel primarily on rail. Most of these containers are destined for other parts of Canada, like Ontario or Quebec.

Containers that are moved by trucks are generally local Atlantic cargo.

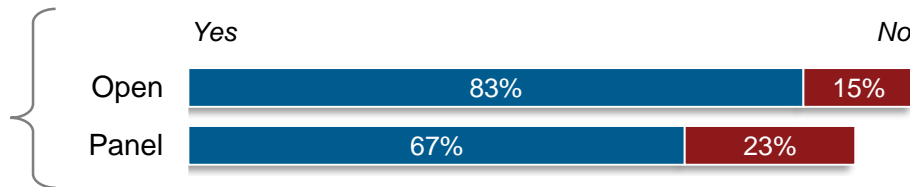
We are exploring different options for expanding our port rail infrastructure, to help further reduce the number of container trucks moving from the Port of Halifax through downtown.

One rail option is what's called an "off-dock intermodal yard" further away from the waterfront. When containers are taken off a ship, they would be placed on a train and transported to this new yard, located inland. Because the yard is away from downtown, it moves truck traffic to areas away from waterfront businesses and where there are fewer pedestrians.

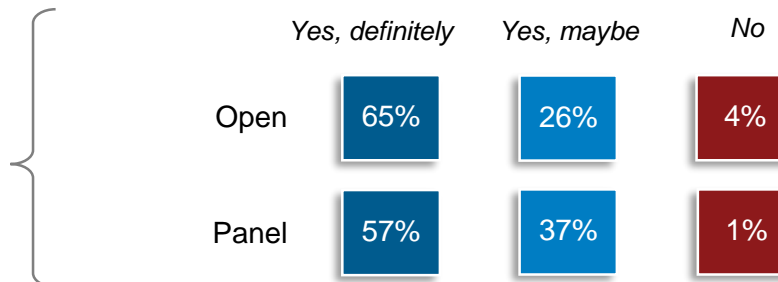
Another option is a rail shuttle to move containers out of the city core and waterfront businesses between port terminals by train instead of by truck.



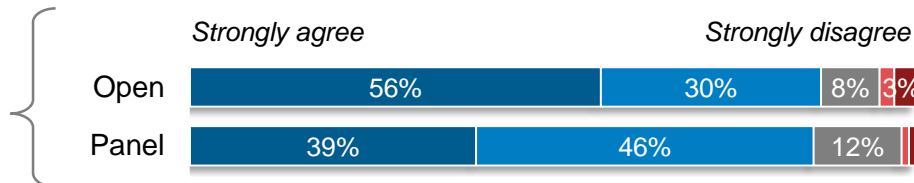
Are you concerned about volume of container trucks downtown?

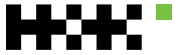


Would you support train options that result in fewer trucks downtown?



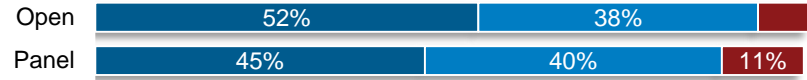
“Even if they cannot be completely eliminated, I support the Port’s efforts to reduce container truck traffic by expanding rail systems.”





Would you be interest in participating in:

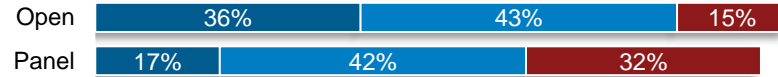
Online surveys and discussion forums



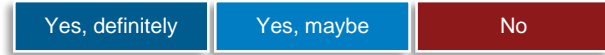
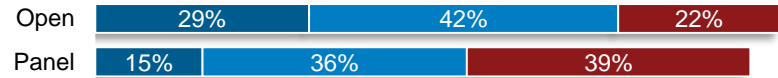
Future consultations

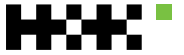


Community “open house” events to see detailed plans, designs, etc.

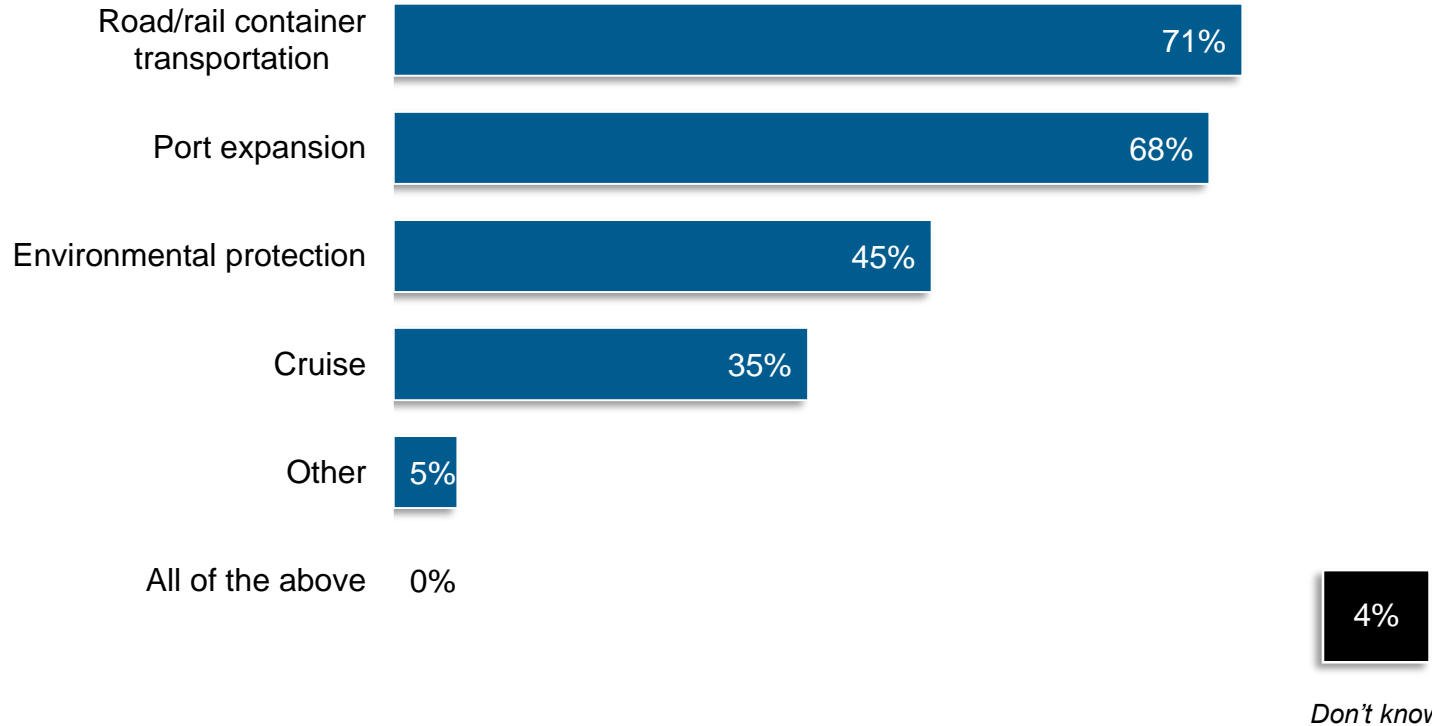


Interactive Q&A sessions with our staff experts and leadership team





What consultation topics are of interest to you?





Are we appropriately engaging the community in expansion planning?

