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**Item No. 15.1.3**  
**Halifax Regional Council**  
**July 8, 2025**

**TO:** Mayor Fillmore and Members of Halifax Regional Council

**FROM:** Cathie O'Toole, Chief Administrative Officer

**DATE:** June 27, 2025

**SUBJECT:** Recommendation Report – Windsor Street Exchange Project Update and Construction Approval

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**ORIGIN**

February 25, 2025 Halifax Regional Council motion (Item No. 15.1.4):

MOVED by Councillor Hinch, seconded by Councillor Steele

THAT Halifax Regional Council:

1. Suspend the rules of procedure under Schedule 7, the Transportation Standing Committee Terms of Reference, of Administrative Order One, the Procedures of the Council Administrative Order.

THAT Halifax Regional Council direct the Chief Administrative Officer to:

1. Proceed with the Windsor Street Exchange project, as per the current funding agreement and Progressive Design-Build contract, using the existing functional design as a first phase of the final overall project. This includes design and construction of new structures within the project area to accommodate additional dedicated transit lanes and separated pedestrian and cycling facilities.
2. Begin planning the second phase of the Windsor Street Exchange project, implementing Scenario 1 – Road Widening as described in the staff report dated January 20, 2025, to provide additional right-of-way for dedicated transit lanes in both the inbound and outbound directions and separated sidewalks and cycling facilities for active transportation connections from Joseph Howe Drive to Kempt Road.
3. Prepare a report regarding implementation of the second phase to include the proposed concept design, property acquisition needs, schedule for design and construction, capital budget estimates, external funding opportunities, and resourcing requirements for Regional Council's consideration.
4. Coordinate the planning and execution of the second phase Windsor Street Exchange Project with the Regional Transportation Plan and plans for a future MacKay Bridge corridor project when available from the Province, and other HRM-led initiatives including implementation of the Rapid Transit Strategy and IMP Strategic Corridors.
5. Review all current external funding opportunities for the Windsor Street Exchange project and submit applications for funding where eligible.

MOTION PUT AND PASSED

## **EXECUTIVE SUMMARY**

On February 25, 2025, Regional Council passed a motion to proceed with the Windsor Street Exchange (WSE) project and directed staff to begin planning a potential future phase of the WSE project. This future phase would widen the road to provide additional right-of-way space for dedicated inbound and outbound transit lanes, along with separated sidewalks and cycling facilities for active transportation connections from Joseph Howe Drive to Kempt Road.

To support the future phase planning, a value planning study launched in parallel to Phase 1 of the current WSE project. The study explored opportunities to implement road widening within the project area, as well as opportunities and impacts outside the project area of other transportation initiatives that are being led by others. The study was conducted in a workshop format, with participation from consultant experts, internal HRM departments and external partners and interest holders, including Link Nova Scotia (previously known as the Joint Regional Transportation Agency or JRTA), NS Public Works, Halifax Harbour Bridges, Port of Halifax, and Halifax Water.

The outcome of the value planning study are scenarios for a future design that could be implemented to accommodate dedicated transit lanes for the Bus Rapid Transit (BRT) green line and separated pedestrian and cycling facilities, while maintaining the benefits realized through the current design. The scenarios are conceptual and include only order of magnitude cost estimates due to the limited timeframe of the study. More detailed planning and design will be needed before a finalized future design concept can be recommended.

The current phase of the WSE project will proceed with detailed design and construction efforts, while planning for a future concept continues in parallel. Minor adjustments will be made to the current design to accommodate opportunities for potential future concepts. The progressive design-build approach being used for the WSE project enables this flexibility, with an initial contract awarded to Dexter Construction for the design portion only. The initial contract allows for certain early works to be awarded prior to entering the construction contract.

The project team has developed a scope of work for early works to be completed this year that aligns with overall construction phasing. These early works will include underground and road construction in the area of Forester Street, Mackintosh Street and Bayne Street north of Highway 111, and site preparation for the new overpass structure. While this construction work is ongoing, the detailed design will continue to be developed for the rest of the project area.

The project team expects that the detailed design of the current WSE project will have progressed sufficiently to provide cost certainty to enter into the construction contract by the end of 2025. At that point, the design-build team will prepare a proposal that describes the total scope of construction, and a detailed cost estimate, which will be reviewed by the HRM project team to ensure it meets the municipality's requirements. The Phase 2 construction contract will be presented to Regional Council for approval in Fall 2025.

Given the number of people traveling through the WSE every day and the scope of construction, it is anticipated that construction activities will have an impact on all modes of transportation. The design-build team is working with the HRM project team to develop a plan to manage construction impacts. The construction management plan will continue to develop as the detailed design progresses. Details around the anticipated impacts of the early works construction planned to begin this year are expected to be shared in July and will be widely publicized through a variety of methods.

This project is a major infrastructure investment that supports Halifax's growth, improves safety, and aligns with key municipal strategies—including the Integrated Mobility Plan, the Rapid Transit Strategy, and the

HalifACT Climate Action Plan. It is designed to make it easier, safer, and more sustainable to move through one of Halifax's busiest gateways—now and in the future.

## **RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Suspend the rules of procedure under Schedule 7, the Transportation Standing Committee Terms of Reference, of Administrative Order One, the Procedures of the Council Administrative Order.

It is recommended that Halifax Regional Council direct the Chief Administrative Officer to:

1. Proceed with the Windsor Street Exchange project in accordance with the current funding agreement and Progressive Design-Build contract, using the existing functional design as an initial phase of the final overall project. This phase shall include design and construction of new structures and design elements to support potential future enhancements, such as additional dedicated transit lanes and separated pedestrian and cycling facilities.
2. Provide bi-annual updates to Regional Council on the progress of the Windsor Street Exchange project. Provide updates to the capital budget through the Capital Planning process.
3. Continue development and evaluation of the future design scenarios outlined in this report and the confidential and private report dated June 17, 2025, and prepare a report to recommend a final concept design, including property acquisition needs, schedule for design and construction, capital budget estimates, external funding opportunities, and resourcing requirements for Regional Council's consideration.

## **BACKGROUND**

The Windsor Street Exchange (WSE) Redevelopment project involves the reconfiguration of the intersection of Bedford Highway, Windsor Street and Lady Hammond Road. As one of five roadway access points to the Halifax Peninsula and the downtown core, and an intersection of strategic corridors, an estimated 170,000 people per day travel through this area, via 10 Transit routes and approximately 90,000 – 110,000 vehicles. Funding for the project is being provided through Transport Canada under the National Trade Corridors Fund (NTCF), the Province of Nova Scotia and the Port of Halifax, and the municipal capital budget. Halifax Water has partnered with HRM to integrate planned capital work into the Windsor Street Exchange project and will fund the design and construction of their infrastructure.

The June 2024 endorsement of the Windsor Street Functional Plan asked for the following additional considerations:

1. Active transportation facility options, prioritizing a AAA connection from the approved Bedford Highway functional plan to the potential Africville Road MUP extension from the future Barrington greenway, recognizing some work is out of scope and would be built during the Bedford Highway project and other future projects;
2. Inclusion of bus lanes to support the future Green Line of the Bus Rapid Transit plan through Windsor Street Exchange connecting Joe Howe Drive to Massachusetts Ave;
3. Demonstrate future proofing at northern extreme of the Windsor Street Exchange project to allow for bike and pedestrian connections to any future MacKay Bridge project;
4. Requesting the Mayor write the relevant Federal Ministers regarding an extension to accommodate these changes, and;
5. Provide an analysis of what increased vehicle traffic capacity will mean on mode share given induced demand.

To address the considerations above, the Owner's Advisors (CBCL and HDR) conducted a virtual workshop in September 2024, developing and discussing two scenarios to incorporate bus lanes and enhanced active transportation (AT) facilities within the WSE. Both scenarios assumed the Green Line routing via Massachusetts from the east and Joseph Howe and Main from the west. Scenario 1 proposed major upgrades to transit and active transportation infrastructure through road widening, including separated cycling and pedestrian paths, center-running bus lanes on Bedford Highway, and an outbound bus lane on the Joe Howe ramp. Scenario 2 introduced bi-directional, center-running bus lanes on Bedford Highway through reallocation of existing general-purpose lanes instead of widening the road. Both scenarios presented a critical risk to federal funding, and were not recommended to be carried forward within the existing project. Further details on these scenarios are outlined in the staff report dated February 18, 2025, available on the Halifax.ca website: [Supplementary Recommendation Report – Windsor Street Exchange](#).

On January 28, 2025, staff presented a report on the additional considerations requested by Council. The following motion as amended was presented to Regional Council regarding the Windsor Street Exchange project:

THAT Halifax Regional Council:

1. Suspend the rules of procedure under Schedule 7, the Transportation Standing Committee Terms of Reference, of Administrative Order One, the Procedures of the Council Administrative Order;
2. Direct the Chief Administrative Officer to proceed with the Windsor Street Exchange project, as per the current funding agreement and Design Build contract, including future proofing new structures along the corridor where municipal lands permit, to accommodate future dedicated transit lanes and separated pedestrian and cycling facilities; and
3. Direct the Chief Administrative Officer to prepare a supplemental staff report and recommendation about accommodating future widening and BRT/AT infrastructure in the Windsor Street interchange area.

This motion was defeated, with no alternative direction provided to staff, and the project was suspended.

On February 25, 2025, staff presented a supplementary report to Regional Council. The following motion was passed.

THAT Halifax Regional Council:

1. Suspend the rules of procedure under Schedule 7, the Transportation Standing Committee Terms of Reference, of Administrative Order One, the Procedures of the Council Administrative Order.

THAT Halifax Regional Council direct the Chief Administrative Officer to:

1. Proceed with the Windsor Street Exchange project, as per the current funding agreement and Progressive Design-Build contract, using the existing functional design as a first phase of the final overall project. This includes design and construction of new structures within the project area to accommodate additional dedicated transit lanes and separated pedestrian and cycling facilities.
2. Begin planning the second phase of the Windsor Street Exchange project, implementing Scenario 1 – Road Widening as described in the staff report dated January 20, 2025, to provide additional right-of-way for dedicated transit lanes in both the inbound and outbound directions and separated sidewalks and cycling facilities for active transportation connections from Joseph Howe Drive to Kempt Road.
3. Prepare a report regarding implementation of the second phase to include the proposed concept design, property acquisition needs, schedule for design and construction, capital budget estimates, external funding opportunities, and resourcing requirements for Regional Council's consideration.
4. Coordinate the planning and execution of the second phase Windsor Street Exchange Project with the Regional Transportation Plan and plans for a future MacKay Bridge corridor project when available from the Province, and other HRM-led initiatives including implementation of the Rapid Transit Strategy and IMP Strategic Corridors.

5. Review all current external funding opportunities for the Windsor Street Exchange project and submit applications for funding where eligible.

## **DISCUSSION**

### **Value Planning Study**

To support the planning for a potential future phase of the WSE project, a value planning study was launched in parallel to Phase 1 of the current Progressive Design-Build project. This study explored opportunities to further improve mobility connections and active transportation facility availability and to better integrate with future Bus Rapid Transit (BRT) through the area. This value planning study was led by HDR, with support from CBCL, consultants that are also acting as the Owner's Advisor on the Windsor Street Exchange (WSE) project.

The value planning study was focused on how to accomplish the direction from Halifax Regional Council to provide dedicated transit lanes and separated pedestrian and cycling active transportation facilities. The study was completed in a workshop format with a multi-disciplinary team including internal and external partners and interest holders. The departments that were included are listed below.

- HRM Major Projects Office
- HRM Strategic Infrastructure and Transportation Planning
- HRM Public Works (Design and Construction, Traffic Management)
- Halifax Transit (Planning and Infrastructure)
- HRM Planning and Development
- Link Nova Scotia (previously known as the Joint Regional Transportation Agency/JRTA)
- Nova Scotia Public Works
- Halifax Harbour Bridges
- Port of Halifax
- Halifax Water
- Consultant expertise from CBCL and HDR

The study considered the design from the PDB contract as currently defined and scoped to be the future existing conditions for the project. In the workshop, ideas were identified to address the objectives of the study, as well as identified risks or opportunities with the implementation of a future design within the project area. The ideas were evaluated to determine how they impacted the performance of transit operations, active transportation, goods movement, main line and local traffic operations, community and right of way impacts, and other construction and operations impacts.

The outcome of the value planning study are scenarios for a future design that could be implemented to accommodate dedicated transit lanes for the BRT green line and separated pedestrian and cycling facilities, while maintaining the benefits realized through the current design. The scenarios are conceptual and only include order of magnitude cost estimates due to the limited timeframe of the study. More detailed planning and design will be needed before a finalized future design concept can be recommended.

There are significant unknowns that could impact the feasibility of any of these scenarios. Further traffic modeling of the scenarios is required to assess the expected performance. Constructability for each of the scenarios has not been fully assessed, including potential utility conflicts, temporary construction impacts, and implementation timelines.

The current phase of the WSE project will proceed with detailed design and construction efforts, while planning for a future concept continues in parallel. Minor adjustments will be made to the current design to accommodate opportunities for potential future concepts.

### **Current WSE Phase 1 Design and Early Works**

The WSE project is being completed using a progressive design build project delivery approach. An initial contract has been awarded to Dexter Construction for the design portion only but includes an ability to accomplish certain early works prior to entering the construction contract. The current scope includes advancing the existing functional design to detailed design and limited discrete construction; however, with the design-build team on board, the WSE project team can work to adjust and expand the project scope to consider a future design concept that results from the value planning study, either included within the progressive design build contracts, or handled through a separate, but integrated, contract.

The project team has developed a scope of work for early works to be completed this year that aligns with overall construction phasing. These early works will include underground and road construction in the area of Forester Street, Mackintosh Street and Bayne Street north of Highway 111, and site preparation for the new overpass structure. While this construction work is ongoing, the detailed design will continue to be developed for the rest of the project area.

### WSE Phase 2 Construction

The progressive approach mitigates contract risk by allowing defined “exit points” for HRM if the relationship between the parties is not working. Although the construction budget portion of the contract is inherent in the design phase, it also allows for a defined exit strategy should the design process result in a more costly project than Council has considered. A separate contract would be entered into with the design-build team, at HRM’s discretion, before HRM would proceed to the full construction of the Project.

The project team expects that the detailed design of the current WSE phase will have progressed sufficiently to provide cost certainty to enter into this contract by the end of 2025. The design-build team will prepare a proposal that describes the total scope of construction, and a detailed cost estimate, which will be reviewed by the HRM project team to ensure it meets the municipality’s requirements. The Phase 2 construction contract will be presented to Regional Council for approval in Fall 2025.

### Construction Impacts and Communication

Given the number of people traveling through the WSE every day and the scope of construction, it is anticipated that construction activities will have an impact on all modes of transportation. The design-build team is working with the HRM project team to develop a plan to manage construction impacts. This includes:

- Modeling of long-term traffic management plans for construction activities to assess impacts to all modes of transportation.
- Assessing opportunities to manage travel demand to reduce the number of vehicles traveling through the construction site.
- Coordinating construction activities with other major projects occurring on key transportation routes in HRM, and road construction projects that are near the WSE.
- Developing a communication plan to share anticipated impacts and opportunities for alternative travel methods with impacted businesses and the Port.

The construction management plan will continue to develop as the detailed design progresses. Details around the anticipated impacts of the early works construction planned to begin this year are expected to be shared in July and will be widely publicized through a variety of methods. Project updates will be shared on a regular basis on the project webpage and through traditional communication channels, with major impacts publicized to a broader audience. The project team will provide formal biannual updates to Regional Council throughout the project duration.

### **FINANCIAL IMPLICATIONS**

The Phase 1 Progressive Design Build contract for design and early works, valued at \$9.4 million, has been awarded to Dexter Construction. Detailed project costs will be refined during this phase. A proposal for

Phase 2 (construction) with an updated cost proposal will be submitted for review. HRM has the contractual ability to decline this proposal and proceed to construction through a traditional tendering process with the fully developed design. The Phase 2 construction contract will be presented to Regional Council for approval in Fall 2025.

**Table 1 Project Budget and Cost Sharing Arrangement on the Windsor Street Exchange Project**

	Original Budget (2019)		June 2024 Budget		Proposed Budget (January 2025)	
Transport Canada (NTCF)	\$23,500,000	50%	\$23,500,000	23%	\$23,500,000	16%
Halifax Regional Municipality *	\$10,750,000	23%	\$30,115,000	29%	\$53,750,000	36%
Province of Nova Scotia	\$10,750,000	23%	\$10,750,000	10%	\$10,750,000	7%
Port of Halifax*	\$2,000,000	4%	\$2,000,000	2%	\$2,000,000	1%
Halifax Water	N/A	N/A	\$37,500,000	36%	\$60,000,000	40%
<b>Total Estimated Project Costs</b>	<b>\$47,000,000</b>	<b>100%</b>	<b>\$103,865,000</b>	<b>100%</b>	<b>\$150,000,000</b>	<b>100%</b>

\*The funding from the Port of Halifax is offset by a \$2,000,000 HRM contribution to a complementary Port of Halifax project supporting goods movement.

The most recent project cost estimate is \$150 million, based on a preliminary, Class 'D' construction estimate with a 25% contingency. This was updated in collaboration with the Design Build Team. The current budget includes design fees, property acquisition, construction costs, and also includes the costs for Halifax Water's planned capital work. The cost-sharing agreement with Halifax Water is still being finalized as is Halifax Water's approval to proceed from the Nova Scotia Utility and Review Board.

The values of cost sharing from the NTCF, the Port of Halifax and the Province are fixed based on the original agreement; per the agreement, any additional costs are the responsibility of the Municipality. The increase in costs to HRM is largely due to inflation, additional costs of the new overpass structure, significantly increased project construction limits, material costs, traffic control, and construction of temporary roads/detours.

The updated project costs are reflected in the approved 2025-2026 Capital Budget. The project design continues to be confirmed and refined. Project estimates may change, however current estimates are becoming more accurate through the progressive design build process with our designers and contractors. As the project budget is refined, updates will be made through the HRM Capital Planning process and reported in upcoming capital budgets. Further substantial estimate deviations are not currently anticipated.

A report on a future design concept to include dedicated transit lanes for bus rapid transit and enhanced active transportation facilities would be expected to be developed with consultants and staff resulting in a return to Council in spring 2026. Preliminary expectations are that the work contemplated for the future design concept will occur in 2026-27 (design) and 2029 to 2032 (construction) and will be submitted with the 2026/27 Draft Four-Year Capital Plan.

## **RISK CONSIDERATION**

There is a risk proceeding with an interim design without a final design complete. This is mitigated by developing the design through the progressive design-build approach. The design team will consider how the interim design will be implemented to facilitate the desired ultimate design, with the contractor to provide

advice and input on the construction phasing. The benefit of proceeding with the interim design now are that the external funding contributed by other orders of government continues to support the WSE project, the benefits of the interim design on all modes of travel are realized sooner, and the progressive design-build approach can be leveraged to advance the project on a faster timeline than would otherwise be available.

There is a risk that the planning for the second phase of the WSE project identifies high capital costs without any opportunities for external funding. This risk is mitigated by staff reporting back to Council before significant costs are incurred in the design and construction of the second phase. The construction of the existing functional design will consider the potential for future widening, therefore if widening cannot occur immediately following the completion of the first phase, it can be implemented at any point in the future.

Provincial Bill 24 introduced February 20, 2025 allows for ministerial orders to a municipality relating to transportation to build, change, reconfigure or remove transportation infrastructure and do anything necessary or desirable in the interest of the safe, efficient and coordinated movement of people and goods. The existence of this order elevates the need to ensure that the Province is informed and supportive of the municipality's plans, but also creates a risk that in the absence of direction from Council the Minister of Public Works could provide direction via ministerial order.

### **COMMUNITY ENGAGEMENT**

Interest holder have been engaged through the value planning workshop and regular updates, including the JRTA, Port of Halifax, Halifax Harbour Bridges, Halifax Water, Utilities, Property Owners. An engagement plan has been developed to communication project status and updates through construction to the public and specific interest groups.

On August 13, 2019, when authorizing the contribution agreement with Transport Canada, Regional Council directed staff to explore whether community benefits could be part of the selection of a preferred concept. The project team completed initial evaluation of the potential for community benefits, reporting back to Regional Council on August 18, 2020. The proposed plan was to consult with the Africville, Mi'kmaw, and Urban Indigenous communities to identify potential community benefits that could be considered as part of the project. Initial consultation has been limited; however, it was determined that the design concept should look to improve access to Africville. Now that a preferred design option has been selected, further consultation with these communities will be undertaken to identify potential community benefits and determine what can be included in the WSE project. It is anticipated that this consultation will be coordinated with other consultation with these communities, such as the Africville Visioning Process.

### **ENVIRONMENTAL IMPLICATIONS**

Given the surrounding land uses within and adjacent to the project area are primarily industrial / commercial, there are minimal impacts to existing green infrastructure such as trees, green space, etc. Through the detailed design, the project team will be evaluating how to include green infrastructure upgrades such as trees to provide shade over the MUP, stormwater management infrastructure, etc.

A Climate Change Resilience Assessment was completed on the interim functional design options, which provided recommendations to improve the resilience of the final design and construction to the forecasted impacts of climate change in our region. While the existing functional design has changed from what had been evaluated, many of the recommendations continue to be applicable. The project team will work with the Design-Build team to incorporate these design details through the detailed design process and incorporate best practices for the installation of green infrastructure.

Reduction in delays, as well as idling time at intersections, reduces projected greenhouse gas emissions within the project area. Improvements to active transportation infrastructure and transit reliability will also support transportation mode shifts, further mitigating greenhouse gas emissions. The project is anticipated to reduce greenhouse gas emissions by at least 1,000 tons per year.



## **ALTERNATIVES**

1. Regional Council could choose to provide alternate direction for planning for the future design concept to accommodate dedicated transit lanes and separated pedestrian and cycling facilities. This alternative is not recommended for the reasons described in this report and the private and confidential report dated June 17, 2025.
2. Regional Council could choose not to proceed with the Windsor Street Exchange Redevelopment project and direct staff to cease further design efforts and release their retained consultants and staff. The implications of this alternative would be:
  - a. The Municipality would likely forgo \$34.25 Million in combined funding from the Federal and Provincial governments.
  - b. Key active transportation connections and transit performance improvements would not be made.
  - c. Port access and general traffic performance would remain unchanged and further degrade over time. Congestion in and around the WSE is expected to worsen, which would impact transit service that is currently traveling in mixed traffic. Alternative strategies would need to be identified to address transit reliability.
  - d. Critical Halifax Water and HRM capital projects would have to proceed separately, negating cost-sharing benefits and reduction to construction impacts to the public.
  - e. The Municipality would be required to fund the costs to date for design, consultants and other works without any cost sharing from other parties.

## **LEGISLATIVE AUTHORITY**

The *Halifax Regional Municipality Charter*, S.N.S. 2008, c. 39, provides:

61(5) (A) The Municipality may acquire property, including property outside the Municipality, that the Municipality requires for its purposes or for the use of the public;

73 The Municipality may enter into and carry out agreements (a) for highway construction, improvement and maintenance and other purposes pursuant to the *Public Highways Act*.

322 (1) The Council may design, lay out, open, expand, construct, maintain, improve, alter, repair, light, water, clean, and clear streets in the Municipality.

Administrative Order One – The Procedure of the Council Administrative Order

4. (1) The proceedings of the Council, Community Council, and committees of the Council shall be governed by this Administrative Order unless an Administrative Order, by-law or provincial enactment provides otherwise.

(2) Notwithstanding subsection (1), any one or more of the rules of procedures contained herein except for sections 5 and 41 and subsections 12(5) and 59(3) may be suspended by Council, Committee of the Whole, Community Council or a Standing Committee by the affirmative vote of two-thirds (2/3rds) of the Members present and voting.

(3) A Committee, other than a Standing Committee or Committee of the Whole, may only suspend the rules of procedure respecting the number and length of time a person may speak pursuant to clause 45(1) (d), section 83 and subsection 131(1).

This report also complies with *Halifax Regional Municipality Charter*, S.N.S. 2008, c. 39, Part VIII, Planning & Development.

## **ATTACHMENTS**

None.

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