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**Item No. 21.4**  
**Halifax Regional Council**  
**January 27, 2026**

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

**FROM:** Brad Anguish, Acting Chief Administrative Officer

**DATE:** November 21, 2025

**SUBJECT:** **Mill Cove Ferry Service – Project Update #01**

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### INFORMATION REPORT

#### ORIGIN

Committee of the Whole requested staff provide a confidential update on the Mill Cove Ferry Project.

#### EXECUTIVE SUMMARY

This report is intended to provide Regional Council with an update on the Mill Cove Ferry Service Project. Key project priorities include but are not limited to:

##### Land Acquisition

The land acquisition required for the Mill Cove Ferry Service Project (the Project) is being led and funded by the Province of Nova Scotia (PNS) and is currently incomplete. The land acquisition must be completed prior to HRM posting a Request for Standing Quote (RFSQ) or Request for Proposal (RFP) tender documents to mitigate risk.

##### Council Direction

The Project completed a budget and schedule update in the Spring of 2025, as a result, a significant budget variance is anticipated with the Project currently estimated to complete in Q4 of 2030. The Project is actioning the following items;

- Advancing to 30% Schematic Design readiness for the Progressive Design Build (PDB) phase and Federal permitting process.
- Undertaking value engineering options analysis to reduce project costs.

- Updating the Business Case to account for increased population growth, ridership and other factors.
- Engaging other levels of government to provide additional financial support for the Project.
- Will provide a report back to Council on these outcomes in the Spring of 2026.

#### Regulatory compliance

To ensure the Project is in compliance with the Investing in Canada Infrastructure Program (ICIP) Contribution Agreement, including the Environmental Assessment obligations and the Indigenous Consultation obligations noted therein, the Project team will implement all required measures and maintain thorough documentation throughout the process.

#### **BACKGROUND**

The Project is an important component of the Rapid Transit Strategy (RTS) approved by Regional Council in May of 2020. Through the 2021/2022 capital budget, Regional Council committed to funding Phase 1 of the Project, and in June 2021, HRM received Investing in Canada Infrastructure Program (ICIP) funding from the Province of Nova Scotia and the Government of Canada to complete the Phase 1 studies.

In September 2022, Regional Council committed to pursuing Phase 2, the detailed design and construction component of the Project. HRM received ICIP funding in the total combined amount of \$220.7M from the Province of Nova Scotia (PNS) and the Government of Canada.

Leadership of the Project was transferred to the Major Projects Office (MPO) from Halifax Transit in January of 2025. The Project aims to deliver a variety of benefits, including increasing regional accessibility, providing a barrier-free mode of transportation for the physically disabled and elderly, assisting HRM to meet climate goal changes using zero emission electric ferries and new net zero ready terminals and providing commuters with a fast, safe and sustainable mode of transportation to support the unprecedented population growth.

#### Scope

The current scope of the Project, in accordance with the ICIP funding agreement, includes:

- Five (5) high speed zero emission electric ferries
- Two (2) new net zero ready ferry terminals (including the demolition of the existing Halifax Terminal)
- Two (2) transit shelters/stops
- One (1) parking lot
- One (1) passenger drop off
- One (1) maintenance facility
- One (1) Temporary Terminal
- Nine (9) Ferry Service docks/piers
- 0.7 km roadway
- 100m bridge over the CN railway line
- 0.7 km active transportation path
- Two (2) active transportation support facility (e.g. bike parking/storage)
- Safety improvements and Intelligent Transportation System (ITS) improvements (fare systems, accessibility improvements, Wi-Fi)

A new Halifax Public Library space is included within the Mill Cove Terminal. The library was ineligible for application under ICIP, and therefore, has held a separate budget in the Capital Plan.

Rapid Transit Strategy

The Municipality’s commitment to expand the existing ferry service and add the Mill Cove route was solidified in the Rapid Transit Strategy (RTS), adopted in May 2020. The RTS is designed to improve sustainable transportation options and support population growth by establishing a network of Bus Rapid Transit (BRT) lines and three new ferry routes, Mill Cove, Shannon Park and Larry Uteck.

Ridership Estimates

The 2022 Mill Cove Ferry Market Assessment Report ridership estimates to 2031 are presented below. This report is currently being updated to the revised project completion date, with ridership forecasted to 2035. A significant increase to ridership is anticipated at both the Mill Cove and Halifax boarding sites. Following the completion of the Mill Cove Terminal project, a residential development on the adjacent property by an external developer is anticipated at a moderate density scenario, which will be reflected in the updated Market Assessment Report.

Peak Hour, Daily and Annual Estimated Ridership			
	2026 Previous Opening Year	2030 Revised Opening Year	2031 Forecast Year
Halifax to Mill Cove (PM Peak Hour)	570	670	700
Mill Cove to Halifax (PM Peak Hour)	70	80	90
<b>Total Peak Hour Ridership</b>	<b>640</b>	<b>750</b>	<b>780</b>
<b>Daily Ridership</b>	<b>3,080</b>	<b>3,630</b>	<b>3,770</b>
<b>Annual Ridership</b>	<b>771,000</b>	<b>908,000</b>	<b>942,000</b>

Source: Mill Cove Ferry Market Assessment Report (June 2022)

**DISCUSSION**

**A. LAND ACQUISITION**

The land acquisition is being led and funded by the PNS. HRM cannot post the solicitation documents for the build of the vessel and the build of the marine infrastructure until the land acquisition is completed, due to contractual and reputational risks. The PNS advised the MPO in September 2025 that the land acquisition is estimated to be completed by April 2026. If this timeline holds, it aligns with the Project’s first significant tender for the Progressive Design Build (PDB) RFSQ, estimated for July of 2026.

Halifax Port Authority Lands (HPA)

Build Nova Scotia (BNS) is to assemble the lands required from the HPA and lease to HRM under a Master Lease Agreement. The draft of this Agreement has been completed and is under review by BNS.

#### Road and Bridge Lands

The acquisition of the required Road & Bridge access lands from a private landowner are estimated by the PNS to be completed by April 2026.

#### CN Rail Lands

CN Rail advised HRM in June 2025, that air rights are not required for the PID associated with the CN Rail bridge.

### **B. INFRASTRUCTURE DESIGN**

The Project engaged CBCL in mid September 2025 to advance the infrastructure 10% concept design to 30% Schematic Design readiness for the Progressive Design Build phase of the project and for Federal permitting regulatory approval requirements, as well as value engineering options analysis.

Design refinement meetings with internal and external project collaborators have been ongoing. These sessions include coordination on the Halifax Terminal, the Mill Cove Terminal and associated bridge, the library space, and the interface between shoreside charging infrastructure and the electric fast ferries. Value engineering analysis is underway.

### **C. VESSELS**

- The Project has actioned a change to the original vessel procurement methodology from Design Build to Design Bid Build. This change is expected to reduce risk and leverages inherent benefits such as; providing full design control in collaboration with Transit Operations, unlocking design progression to inform the terminal interface, reducing integration risk, procurement transparency and providing intellectual property rights for vessel sister ship designs moving forward.
- Lengkeek Vessel Engineering was engaged as the Owners Vessel Representative in mid October 2025, under a Contract Amendment to RFP 21-401. In Phase 1 of the Project, Lengkeek provided the technical support to deliver key vessel engineering documents that were required to support the application to achieve the ICIP Funding Contribution Agreement approval.
- Lengkeek's current scope includes in part; developing, evaluating and executing the vessel procurement documents required, acting as owner's representative in the design process, ensuring HRM performance criteria are met, liaising with regulatory authorities to ensure compliance, providing engineering advice, technical support, business case support, and supporting vessel ROI analysis.
- Clarksons and HannafordTurner, the Project's ship broker and external legal counsel respectively, are providing commercial and industry advice with respect to the procurement of the ferries.

### **D. BUSINESS CASE**

- The 2022 Ferry Market Assessment Report is currently being updated to the revised project completion date, with ridership forecasted to 2035. This report is a key component of the Business Case update to inform population growth, employment, ridership, revenue and other.
- The Project is actively working with Transit Operations, CBCL, Lengkeek and the market consultant, to update the Capital costs, Operational costs and other key indicators that form part of the Business Case.

## E. REGULATORY

### Federal Permitting

The ICIP Agreement Article 18 cites the obligation for compliance with Federal Environmental permitting approvals.

- The Project requires the lease of Federal land from the Halifax Port Authority (HPA). As such, a determination under the Impact Assessment Act (IAA) based on the 30% design must be made by the HPA, Housing Infrastructure and Communities (HICC), Transport Canada (TC) and the Dept of Fisheries and Oceans (DFO). The IAA is a federal process for assessing the environmental, social and economic impacts of major projects in Canada, toward sustainability and Indigenous rights.
- Summary of Authorities regarding key legislation, approvals, studies, permits and authorizations includes; Impact Assessment Agency, Transport Canada, Fisheries and Oceans Canada, Halifax Port Authority, Environment and Climate Change Canada, Nova Scotia Natural Resources and Renewables, Nova Scotia Environment and Climate Change, Nova Scotia Communities Culture Tourism and Heritage, HRM, Nova Scotia Power Inc., HPA and others.

### Duty to Consult

The ICIP Agreement Article 19 cites the legal duty to consult and, where appropriate, to accommodate Indigenous groups.

- Project engagement is ongoing with the Kwilmu'kw Maw-Klusuaqn (KMK), Sipekne'katik and Millbrook First Nation (Membertou First Nation is now part of the KMK).
- An Indigenous Consultation log is maintained with updates provided to Housing Infrastructure and Communities Canada as required by ICIP.
- An Indigenous Consultation Plan has been prepared and reviewed by HICC, based on the HICC guide to recipients for Indigenous Consultation.
- Aspects of the Federal permitting process require the review and approval of the Indigenous First Nations communities as noted above.

Given the complexity and scale of this Project, monthly meetings have been established with the HPA, DFO, TC, PNS and HICC to review the Federal permitting requirements and collaborate on deliverables and timelines to mitigate risk.

## F. BUDGET

### Background

In March 2024, HRM received the ICIP funding for the Project's Phase 2 eligible costs. Under the Phase 2 ICIP contribution agreement, the total budget for the Project was set at \$266 million, residing in CV210013. The funding support for Phase 2 is as follows:

- a maximum 60% Federal contribution (equal to \$155.7M)
- a maximum 25% Provincial contribution (equal to \$65M)
- 15% HRM funding (equal to \$40M)

The library space was ineligible for application under ICIP, and therefore, it has held a separate budget in the capital plan, in the amount of \$15.5M, residing in CB190002. There is an additional \$5M of funding for ineligible operational costs.

In April 2024, Regional Council approved the budget to implement the Phase 2 work, and in April 2025, Regional Council approved the 2025/2026 budget.

Current

Budget Summary:	<u>Project Account No. CV210013 – Mill Cove Ferry Service</u>	
	Actual costs incurred (Phase 1)	\$ 3,000,000
	Previously Approved Budget (Phase 2)	\$266,000,000
	Actual Spend to date (Phase 2)	<u>\$ 2,500,000</u>
	Remaining Approved Budget (Phase 2)	\$263,500,000
	<u>Project Account No. CB190002 – Halifax Public Library</u>	
	Previously Approved Budget (Phase 2)	\$ 15,500,000

A Class D estimate was recently completed, and a significant budget variance is anticipated. The Project received direction from Regional Council on July 8, 2025, to undertake value engineering options analysis, advance design to 30%, update the Business Case and seek additional funding opportunities from other government agencies toward reducing the cost of the Project. The Project is to report back to Council on these outcomes in the Spring of 2026, as outlined above.

**G. SCHEDULE**

The Project encompasses multiple construction sites with complex and interrelated infrastructure and vessel deliverables. Once the Progressive Design Build (PDB) contracts are awarded, the design and construction durations and the vessel manufacture schedule will be confirmed by the selected general contractor, design consultants and the shipbuilder.

In preparation for the PDB phase, a schedule review and update were completed in June 2025. The Project is currently estimated to be completed in Q4 of 2030.

**FINANCIAL IMPLICATIONS**

There are no financial considerations arising from this report, as this is an information report and does not contain recommendations. An update on the project budget is provided in section F of the Discussion section.

**COMMUNITY ENGAGEMENT**

The broader community will be engaged through the Project's Communication Plan once the work advances beyond design and the construction start dates and potential disturbance is confirmed. Communication has been ongoing with project collaborators such as the Bedford Condo Association and Sail Nova Scotia.

The Project has engaged and maintains consultation with the Indigenous First Nations communities as outlined above.

As part of the ICIP agreement, the Project meets regularly with the PNS and Canada to review the Project's progress and to submit Project Cash Flow reports and Project Status Updates. In addition, the Project has a collaborative relationship with the HPA, TC, DFO and Build Nova Scotia (BNS).

**ATTACHMENTS**

Attachment A – Mill Cove Terminal Site, Environmental Survey Assessment and PID map

Attachment B – Halifax Terminal Site, Environmental Survey Assessment and PID map

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## ATTACHMENT A

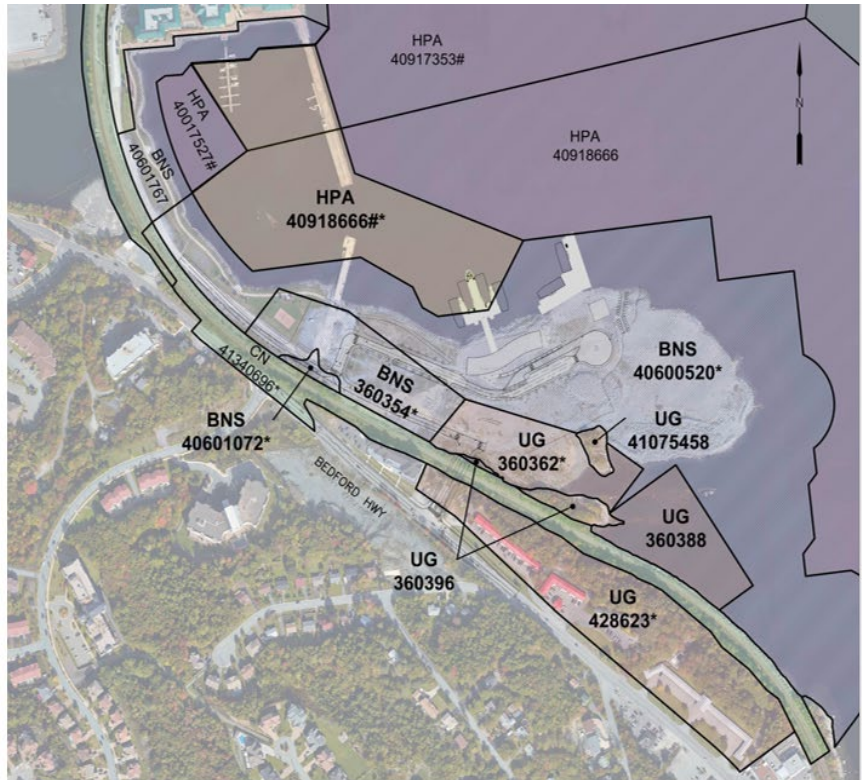
### Mill Cove Terminal Site, Environmental Survey Assessment and PID map

#### PROPERTIES LISTED BY OWNER

United Gulf (UG)	ESA I	ESA II
360362 *	Complete	DRAFT Complete
360396 *	In Progress	TBD
428623 *	In Progress	TBD
360388	Not Required	Not Required
41075458	Complete	DRAFT Complete
Build NS (BNS)	ESA I	ESA II
360354 *	Complete	DRAFT Complete
40600520 *	Complete	DRAFT Complete
40601072 *	Complete	DRAFT Complete
40601767	Not Required	Not Required
Halifax Port Authority (HPA)	ESA I	ESA II
40918666 #*	Complete	Not Required
40017527 #	Complete	Not Required
40917353 #	Not Required	Not Required
Canadian National Railway (CN)	ESA I	ESA II
41340696 *	In Progress	TBD

\*\* Denotes all or portion of property needed for Fast Ferry Project

#\* Denotes all or portion of property named in HPA-PNS-HRM Land Exchange MOU



## ATTACHMENT B

### Halifax Terminal Site, Environmental Survey Assessment and PID map

#### PROPERTIES LISTED BY OWNER

Halifax Regional Municipality (HRM)	ESA I	ESA II
00003459	Sept 2025	TBD
41514357	Sept 2025	TBD
41514365	Sept 2025	TBD
40293284	Sept 2025	TBD
40572240	Sept 2025	TBD
40343675	Sept 2025	TBD
Halifax Port Authority (HPA)	ESA I	ESA II
41514340#*	Complete	Not Required
Nova Scotia Limited (NSL)	ESA I	ESA II
00002329**	In Progress	TBD

\*#\* Denotes all or portion of property named in HPA-PNS-HRM Land Exchange MOU

\*\* Denotes all or portion of property needed for Fast Ferry Project

\*\*\* Denotes potentially contaminating activities identified during historical review of surrounding properties. Findings to be included in ESA I Report.

