



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

**Item No. 21.6**  
**Halifax Regional Council**  
**January 27, 2026**

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

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

**DATE:** January 5, 2026

**SUBJECT:** Windsor Street Exchange Project Update Report #1

---

### **INFORMATION REPORT**

#### **ORIGIN**

July 8, 2025 Regional Council motion (Item 15.1.3):

MOVED by Councillor Steele, seconded by Councillor Cuttell

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; and
3. Continue development and evaluation of the future design scenarios outlined in the staff report dated June 27, 2025 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.

MOTION PUT AND PASSED.

#### **EXECUTIVE SUMMARY**

On July 8, 2025, Regional Council directed staff to proceed with the Windsor Street Exchange project under the existing Progressive Design-Build contract using the existing functional design, and provide bi-annual updates on the progress of the project. The purpose of this report is to provide the first project update. This report highlights construction activities, expected activities over the next six months, and

updates on the budget, schedule and project risks. The next update report will be presented to Regional Council in July 2026.

Staff are continuing development of potential design options for a future phase of the Windsor Street Exchange which includes dedicated transit lanes and enhanced active transportation facilities. A report to recommend a final concept design is expected to be at Regional Council in spring 2026.

## **DISCUSSION**

### **A. CONSTRUCTION ACTIVITY**

The following construction activities have been completed since approval to proceed from Regional Council on July 8, 2025:

- Development of an early work scope to advance site preparation and construction of detour roads to allow construction to begin in 2026.
- Award of a Limited Notice to Proceed contract to Dexter Construction to complete early works. This is necessary to maintain the overall project schedule to complete construction by the end of 2028.
- Preparation for construction of detour roads, including preliminary road work, establishment of a project site office and laydown area.

The following construction activities are expected to be completed between December 2025 and May 2026 under the early works scope:

- Installation of temporary detour on Highway 111.
- Excavation on Highway 111 to install temporary retaining wall.
- Installation of temporary detour road on Bayne Street and through HRM operations depot.
- Construction of retaining walls on Forrester Street to allow for construction of road extension.
- Pre-ordering of materials with long-lead times.
- Finalization of Phase 2 contract scope and cost to present to Regional Council for consideration for approval.

If approval to proceed with Phase 2 is granted by Regional Council, the following construction activities are also expected to be completed by May 2026:

- Installation of foundation piles and beginning work on abutments of new overpass structure.
- Construction beginning on Halifax Water underground infrastructure that is integrated into the Windsor Street Exchange project.

### **B. SCHEDULE/ SCHEDULE IMPACTS**

- Transport Canada has agreed to contribute \$23.5 million to the project budget through the National Trade Corridors Fund (NTCF). A requirement of the contribution agreement is that construction work related to the objectives of the NTCF be completed by December 2027. The project team and the design-build team have identified the scope of construction necessary to meet those objectives and have factored that into the project schedule to ensure that work is on the critical path to be completed within the required timeline. If work proceeds as planned, HRM expects to be able to fulfill the objectives of the contribution agreement, maintaining eligibility for this crucial federal funding.
- The project team has approved a limited notice to proceed which includes work on the critical path. This early work began in October 2025 and is expected to be completed in November 2026. If Council approves the Phase 2 contract, the outstanding work under the limited notice to proceed will become part of the Phase 2 contract scope.
- The overall project schedule anticipates that work on the current design (Phase 1 and 2) for the Windsor Street Exchange will be completed in December 2028. The work expected to be completed

in 2028 will be additional works outside the objectives of the NTCF but complementary to the project (i.e. Halifax Water capital work, active transportation infrastructure, landscaping).

C. BUDGET STATUS

- Spend to date (Q2 2025/26) from the approved \$150M budget is \$10.1M, representing 6.7% of the budget.
- Spend to date represents expenditures for the design phase and preliminary property acquisition. Expenditures related to planning for a future phase of the WSE project requested by Regional Council in February 2025 are also included in the spend to date.
- The detailed design is being completed in work packages, with the design at varying levels of detail and certainty. As the design is developed, the construction cost estimate is being refined. The overall project budget will be updated annually through the HRM Capital Budget planning process.
- Project cost and funding details are outlined in the table below.
- Eight change orders for the project, with a total value of \$10.5M (net HST included) have been issued to the end of Q2 2025/26. The change orders relate to changes to design scope to accommodate Regional Council direction, unforeseen design scope, Halifax Water infrastructure, and approval of pre-construction activities (early works).
- A construction cost estimate was recently submitted by the Design-Build team as part of the proposal for Phase 2 of the project and is currently being reviewed by the project team in accordance with the methodology for progressive design-build project; based on the recent cost estimate, a budget variance is anticipated. The project team has received direction from Regional Council on July 8, 2025, to proceed in accordance with the current funding agreement and Progressive Design-Build contract, using the existing functional design. The Phase 2 construction contract will be presented to Regional Council in March 2026 for approval, including confirmation of project scope, schedule, estimated total project budget and cash flow.

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

	Approved Capital Budget (January 2025)	
Transport Canada (NTCF)	\$23,500,000	16%
Halifax Regional Municipality	\$55,750,000	37%
Province of Nova Scotia	\$10,750,000	7%
Halifax Water	\$60,000,000	40%
<b>Total Estimated Project Costs</b>	<b>\$150,000,000</b>	<b>100%</b>
Note: The Port of Halifax has pledged a \$2M contribution to the Windsor Street Exchange project. HRM has pledged an equal \$2M contribution to the Port's complementary NTCF project. This contribution does not impact cost sharing.		

D. RISKS

A risk register was developed for project with input from the HRM project team, project partners, the Owner's Advisor, and the Design-Build team. The top risks to the project and their response strategies are outlined below.

- Project cost escalation: The construction cost estimate has increased through the development of the detailed design. This cost increase is attributed to added scope, increases to supplier pricing, lack of design certainty, and extension of the overall project schedule. The Phase 2 construction contract will be awarded based on 90% design for two of the four work packages, and based on 60% design for the remaining two work packages. The project team has included a contingency of

roughly 25% of the construction cost in the project budget to account for unknowns. The latest cost estimate from the design-build team have include allowances for some items based on lack of certainty in the design at this time; these are expected to be the high end order of magnitude cost and the final price will be refined as the design is finalized. The project team is also completing third-party cost reviews of the cost estimates to ensure that the value of the construction contract is reasonable and fair. Any cost escalation will be part of the report to Council in March 2026 for consideration as part of the Phase 2 construction contract process.

- Property acquisition and easements: Areas of property acquisition have been identified by the design team as needed to implement the current functional design for the Windsor Street Exchange. There are also a number of temporary and permanent easements needed in place for construction and reinstatement of Halifax Regional Municipality and Halifax Water infrastructure. A plan for property acquisition and easements is being developed by the HRM project team with support from the design-build team to ensure that required property transactions are completed before construction begins. This work will be phased over the next 12 to 18 months.
- Coordination with other transportation projects: There are other transportation projects in development or underway that may have an impact on traffic and transit through and around the Windsor Street Exchange during the time that construction will take place. The HRM project team is coordinating with internal and external partners to ensure that all potential conflicts are identified and coordinated. Significant traffic impacts will be considered through traffic modelling of construction setups to understand and mitigate delays where possible. Transit detours will be coordinated with other construction projects.
- Coordination with Halifax Water projects: HRM and Halifax Water strive to integrate capital projects whenever possible to reduce the impacts to the public and realize cost savings with work completed. The Halifax Water capital projects integrated with the Windsor Street Exchange project are critical infrastructure projects from their Infrastructure Resource Plan. The scope of the Halifax Water will have a significant impact on the project schedule and construction impacts to the project. This is being managed by the project team through integrated coordination meetings.
- Design development identifies unknown scope: The detailed design is being completed as work packages, as per the progressive design-build contract approach. The design is at varying levels of detail and certainty, with design phases based on the overall construction phase. As the design progresses, previously unidentified scope or impacts may be identified that must be addressed, with impacts to the project budget and schedule. The HRM project team meets with the design-build team on a weekly basis to discuss potential issues, in addition to other regular coordination meetings with internal and external partners.
- Disposal of contaminated soils: A comprehensive geotechnical investigation of the project area has been completed, identifying contaminated soils present in areas of construction. There will be a significant amount of surplus contaminated soil generated throughout the construction. The design-build team is developing a Soil Management Plan, in collaboration with HRM and Nova Scotia Environment, which looks to identify acceptable options for use of this surplus soil.

## E. COMMUNICATION

Communication is a very important component of the project. The following communication approaches/mechanisms have been or will be implemented as part of the design and construction phases, and will continue to project completion:

- Weekly construction meetings with the contractor to ensure close coordination and responsiveness.
- Monthly meetings (virtual) with key partners (abutting property owners and those who have specific interest in the project) to provide project updates and discuss issues and concerns specific to each property. Six monthly update meetings have been held with this local partner group.
- Public Service Announcements (PSAs) are and will be issued for all modifications to travel routes through the project and for project milestones. PSAs are accompanied with visual assets (i.e., maps, photos) where possible and are posted on halifax.ca and social media.

- Regular social media posts will be issued to update the public on construction activity, highlight interesting developments, and announce project milestones.
- Time lapse cameras will be installed to record the progress of the project.

### **FINANCIAL IMPLICATIONS**

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

### **COMMUNITY ENGAGEMENT**

See “Communication updates” in Discussion section.

### **ATTACHMENTS**

None

---

Report Prepared by: Megan Soroka, P.Eng., PMP, Program Manager, Major Projects Office, 902.717.4302