

**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE
MINUTES**

July 6, 2010

PRESENT: Mayor Peter Kelly
Deputy Mayor Brad Johns
Councillors: Steve Streach
Barry Dalrymple
David Hendsbee
Lorelei Nicoll
Gloria McCluskey
Darren Fisher
Bill Karsten
Jackie Barkhouse
Mary Wile
Jim Smith
Jerry Blumenthal
Dawn M. Sloane
Sue Uteck
Jennifer Watts
Russell Walker
Debbie Hum
Stephen D. Adams
Robert P. Harvey
Tim Outhit
Reg Rankin
Peter Lund

REGRETS: Councillor: Linda Mosher

STAFF: Mr. Wayne Anstey, Acting Chief Administrative Officer
Ms. Mary Ellen Donovan, Municipal Solicitor
Ms. Sherryll Murphy, Acting Municipal Clerk
Ms. Chris Newson, Legislative Assistant

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1. CALL TO ORDER

Mayor Kelly called the meeting to order at 2:31 p.m.

MOVED BY Councillor Rankin, seconded by Deputy Mayor Johns that Item 4. RECREATION SERVICE REVIEW - SCOPE be deferred to the first Committee of the Whole session in August. MOTION PUT AND PASSED.

2. APPROVAL OF THE MINUTES - JUNE 15 & 22, 2010

MOVED by Councillor Harvey, seconded by Councillor Sloane that the minutes of June 15 & 22, 2010, as presented, be approved. MOTION PUT AND PASSED.

3. CAPITAL IDEAS - LEVERAGING URBAN INVESTMENT FOR REGIONAL PROSPERITY

- A copy of the revised staff presentation was before Council.
- A report dated June 10, 2010 was before Council.

Mr. Andy Fillmore, HRM Urban Design Project Manager, presented the staff report. He explained that the proposal was to establish a high level decision making structure to determine an environment of success for the Capital District. Although HRM policies highlight the importance of the urban core, the Regional Centre is not currently managed or positioned as a strategic asset by either HRM, the Province of Nova Scotia, nor the Government of Canada.

Councillor Adams entered the meeting at 2:34 p.m.

The problems being encountered in regard to improvements to the urban capital include the following:

- insufficient internal and external funding for major urban capital improvement projects.
- lack of adequate coordination and communication with other levels of government and major stakeholders.
- the result of the Conference Board of Canada's findings that "*government does not provide appropriate financial incentives for growth or make key strategic investments in the downtown core.*"
- a demand for urban densification and investment due to global financial, environmental and energy challenges.

The proposed solutions to the above noted issues are as follows: the creation of a Strategic Urban Partnership (SUP) with a three tiered structure; an Opportunity Sites Task Force; new financial and legislative tools; following the Regional Plan to ensure smart growth and following HRM by Design's initiatives for vibrant, livable communities.

The Opportunity Sites Task Force's mandate would be to inventory, assemble, package and release publically owned lands for redevelopment and reinvestment, thereby stimulating economic activity, improving livability and inspiring private investment. The Opportunity Sites Task Force involves parcels of land over 2,000 square metres within the regional centre that have potential for redevelopment. 41.9% of the vacant land is owned by the municipal, provincial and federal governments with 58.1% of additional vacant acreage under private ownership. There are 51 vacant and developable acres in downtown Halifax and 34 in downtown Dartmouth on a total of 800 opportunity sites throughout the regional centre.

New financial, policy and legislative tools would involve exploration and development of tools to encourage private sector development and investment in the regional centre such as: financial/social return on investment (ROI); dedicated reserve accounts; urban development agreements; improved cost sharing with other levels of government; density bonusing throughout the regional centre; changes to commercial taxation and grants/other incentives. The strategic urban goals under the Urban Investment Toolkit would include: having more people living and working in the downtown; a positive business and development climate and ensuring a beautiful, vibrant, walkable downtown. Examples of some tools currently in use throughout HRM are:

- Public/private partnership: matching heritage facade grants; local improvement charges; local area rates; hotel marketing levy.
- Planning and regulatory: the Regional Plan; HRM by Design Downtown Halifax Plan, Design Review Committee; the density bonusing program (downtown Halifax) and the Halifax/Dartmouth Municipal Planning Strategies and Land Use By-Laws.
- Municipal resources: Heritage Improvement Tax Credits.
- Provincial resources: provincial grants, cost sharing and legislative amendments.
- Federal resources: the Atlantic Canada Opportunities Agency (ACOA) and the Build Canada Fund (BCF).

Smart growth, under the Regional Plan, concentrates investment and growth in areas that are already served by existing infrastructure such as streets, sidewalks, pipes, wires, schools and parks as well as restaurants, shops, museums/galleries.

The HRM by Design plan is to create a vibrant, walkable, sustainable, mixed-use downtown that will draw substantially more people to live and work within its boundaries. This can be achieved through an improved financial, regulatory and policy environment as well as design excellence in architecture and public spaces. Cooperation between the three levels of government to develop publically owned vacant and under utilized lands, as well as densification of residential, commercial and leisure activity on existing infrastructure would create environmental, social and fiscal sustainability.

Other policy support would be from: the HRM Economic Strategy, HRM Government Relations Plan, HRM Corporate Plan, HRM Cultural Plan, the Premier of Nova Scotia's

Economic Advisory Panel, the Environmental Goals and Sustainable Prosperity Act (EGSPA) and the Conference Board of Canada's "Hub City" analysis. The results of the "Hub City" report indicates that increasing the economic prosperity in Halifax must be a provincial and regional priority. Funding should target programs that support thriving urban economies, in particular, infrastructure. Halifax Regional Council must also set priorities for the downtown core including: lobbying for a dedicated spending budget from the provincial/federal governments; tracking socio-economic cost-benefit analysis on downtown projects and investing in downtown projects in order to drive economic growth.

In a recent survey, commissioned by the Greater Halifax Partnership, 66% of respondents disagreed with the statement that HRM spends too much money on downtown Halifax. The result of HRM's 2010 Citizen Survey indicated that redevelopment of the downtown core was one of the top five capital projects supported by residents.

There is a need to densify the downtown core as a means to achieve the goals of the Environmental Goals and the Prosperity Act whose goal is, by 2020, the reduction of greenhouse gas (GHG) emissions by 10% of 1990's levels. A Memorandum of Understanding (MOU) between the Province of Nova Scotia and the Union of Nova Scotia Municipalities also encourages municipalities to continue taking action on climate change through policy development, land use planning initiatives and emissions reductions. The most effective way to reduce GHG's is to focus on densification and investment in transit. The necessary change to the GHG emissions will not arrive by an external source, the change has to commence with HRM Council and staff.

The June 10, 2010 staff report notes that a healthy urban core is the most powerful tool available for addressing the financial and environmental challenges facing all cities. A community wastes taxpayers' dollars everyday when a downtown is only used at 30% to 40% of its capacity. Strategic urban investment creates regional prosperity.

In response to questions from Members of Council, Mr. Fillmore provided the following additional information:

- the Sustainable Urban Partnership (SUP) does not duplicate the Greater Halifax Partnership's (GHP) role as the GHP does marketing but does not direct the spending of money.
- any new policy or financial tool would be an alignment to a existing policies to reflect the broader stakeholder vision.

MOVED BY Councillor Uteck, seconded by Councillor Sloane that Halifax Regional Council request a staff report, including cost factor information, on the possibility of creating an HRM Urban Design Department, to be a distinct group from the HRM Planning Department, to better assist in implementing the proposed 3 Tier Structure outlined in the Capital Ideas - Leveraging Urban Investment For Regional Prosperity presentation of July 6, 2010. Councillor Uteck

clarified that the intent was to utilize existing staffing and funding resources. **MOTION PUT AND PASSED.**

MOVED by Councillor Sloane, seconded by Councillor Wile that Halifax Regional Council adopt in principle the attached *Capital Ideas* discussion paper and direct staff to:

- 1. Undertake discussions with potential members of the proposed *Strategic Urban Partnership (SUP)*, and subsequently empanel the SUP for the purpose of creating a Terms of Reference.**
- 2. In collaboration with SUP members, create a Terms of Reference document to guide the SUP mandate (final Terms of Reference to be endorsed by HRM Council and other members).**
- 3. Explore and develop a variety of financial and policy tools to encourage development and investment in the Regional Centre;**
- 4. Define an operational model for the proposed Opportunity Sites Task Force; and**
- 5. Report back to Regional Council on progress in approximately six (6) months.**

Councillor Sloane explained that she was in support of the proposal as the downtown is the heart of a region and wealth generated by it benefits other HRM communities.

Councillor Rankin noted his support for the proposal and concurred that adhering to the Regional Plan and economic policies was the method to follow in regard to growing the population/revitalizing the downtown core. He emphasized the importance of Council maintaining management control, specifically in regard to budgets, once the SUP is in place. He encouraged staff to ensure that the federal ACOA group be included in the proposed SUP and that the business community be reflected fairly. Councillor Rankin requested clarification on what gaps the proposed SUP would be filling.

In response to a question by Councillor Rankin, Mr. Fillmore advised that Slide 11 outlined the structure of the proposed SUP that would include the three levels of government as well as efforts to include some non government organizations such as the United Way. Staff will report back to Council with more detail and a business case in six months after meeting with the stakeholders to draft a Terms of Reference.

Councillor Hum acknowledged her support for the proposal as the downtown core is integral to the success of the municipality. The proposal is a strategic action plan that is results orientated. A vibrant downtown cannot focus only on business. To draw immigration, business and encourage young people to stay, the downtown requires private and public investment to support various initiatives, such as affordable housing and creating a livable downtown. She noted that although her district was undergoing intense development, she was in support of placing emphasis on the downtown as a strong downtown core would automatically benefit other areas. The density required will not be achieved with single family homes in the downtown but families are needed in the downtown as they will bring back the schools with people staying and working in vibrant neighbourhoods.

Councillor Streach advised that he was in support of the proposal including financial support for the downtown areas. He inquired whether the SUP and the request for a new HRM department might be creating redundancy considering HRM already has the Greater Halifax Partnership. He noted that during the recent budget discussions, Council had spoken of “slimming down”.

Mayor Kelly clarified that the request for a new HRM department was simply a request for a staff report by Council and was not a recommendation from staff.

In response to concerns raised by Councillor Streach, Mr. Fillmore explained that the message staff has been receiving from the Capital District Steering Committee, whose membership includes the Business Commissions, was that there were various groups in place but something was not working as there was nothing in place to align their efforts for the greatest impact on the urban core. The proposed 3-tier structured SUP, as per a model in use in Newfoundland, was suggested for Council’s consideration. Staff will provide more detail to Council within six months. Mr. Fillmore noted that Mr. Jim Donovan, Manager, Economic Development, who works closely with the Greater Halifax Partnership, and Mr. Paul Kent, President and CEO of the Greater Halifax Partnership, have been involved with discussions on this issue and the GHP does not feel there is any overlap.

Councillor Streach inquired if those groups would be as welcoming to the proposal if their budgets were to be reduced to increase the budget for investment in the urban core. He emphasized the importance of the SUP plans not flying in the face of the Regional Plan.

Deputy Mayor Johns expressed concern with a comment made in the staff report that providing services to outlying areas could cost more. He advised that what makes HRM great is the availability of choices; people value those options. He inquired whether the dollar amounts for providing services to outlying areas were for the same services or different levels of services. He also inquired what the other top five results were of the 2010 HRM Citizen Survey besides the redevelopment of the downtown core. He noted that he was in support of revitalizing the downtown core as there would be a ripple effect to other areas, however; he expressed concern that there may be a negative effect on the rest of the municipality. Residents of Sackville have no where to shop so they travel to Bayers Lake, Bedford, or Dartmouth Crossing and also travel to work, therefore, the Sackville residents are sharing the wealth but do not feel that it is always coming back.

Mr. Fillmore responded to Deputy Mayor Johns that he would provide Members of Council with the top five results from the HRM 2010 Citizen Survey.

Councillor Outhit noted that there was “smart” development occurring in the Bedford area. In regard to developing the downtown core, recent decisions such as the downtown library and continuing support for the Business Improvement Districts (BID’s), are positive initiatives. He noted that he was not convinced that another

organization or office was required. If cooperation among existing organizations is not occurring then they should be merged together rather than creating a new one. He suggested that staff also consider comments by Standard's and Poor (S&P) as well as the Conference Board of Canada as S&P have downgraded HRM's credit rating. Halifax is a hub city but does not get investments from other levels of government. In regard to economic development, one challenge is in how long it takes for things to get approved and developed. Nova Scotia still has low wages and is dominated by universities who do not rent office space. One way to revitalize the downtown is to have people living, working and shopping in the downtown but not everyone can afford to live in the downtown. Condos are needed but so are office buildings. Needs change overtime so the economics of the urban revitalization have to be reviewed rather than just hanging out a banner that Halifax is open for business.

In response to concerns raised by Members of Council in regard to the creation of a new entity, Mr. Paul Dunphy, Director, Community Development, explained that staff are proposing taking existing groups and bringing them to the same table; not creating a new entity. The existing groups are all pieces of the same puzzle, some parts are involved with recruitment while others are involved in investments. The goal is to have all groups investing together rather than independently.

Mr. Wayne Anstey, Acting Chief Administrative Officer, explained that not all funding would come from HRM. Hopefully, there would be opportunities for funding from the provincial and federal governments. HRM has not been effective in getting their share of funding from the other levels of government. The proposed panel of power brokers in the area, upon reaching a consensus on what is wanted, could go forward to collectively demand a fair share of government funding. Collectively, there would be a better chance of obtaining funding than HRM going forward on its own.

Councillor Watts noted that not only power brokers were required to be part of the proposed SUP but also creative, innovative people who may have a different perspective such as non governmental, non profit groups like the United Way. Groups concerned with homelessness, the environment and cultural should also be considered as part of the SUP. She inquired what role Regional Council would have with the proposed SUP. In regard to the vacant land available in the downtown, she reminded Council that although development to increase the tax base was important, green space for a liveable downtown core was also important. The green spaces have to be protected. Transportation in the downtown also has to be considered as there has to be sustainable transportation incorporated into the urban core revitalization. In regard to changes to commercial taxation, she inquired what the results of those discussions have been.

Mr. Fillmore responded to Councillor Watts that as the city evolves, sustainability and culture will be pivotal cornerstones. Approximately 20 of the 50 acres of vacant land are owned by HRM and will be developed under the guidelines of HRM by Design or as green land. He noted that there have been no discussions to date on commercial taxes. The proposed SUP structure is tied up in economic/development and sufficient

representation from business, the private sector and non profits is required.

Councillor McCluskey commented that the Capital District is the heart of Nova Scotia and was fortunate to have both sides of the harbour as anything that occurs here will benefit all of Nova Scotia. There is green space and the goal is to make the urban core an affordable place to live and work. In order to make it affordable, the commercial is needed as HRM does not want to price people out of the area. She inquired what initiated the Greater Halifax Partnership study that had been referenced and noted that GHP brought businesses to the city but once those businesses arrived there had to be a good working downtown and immigration strategy.

Mr. Fillmore responded to Councillor McCluskey that the GHP attitudinal survey was done in 2008 as part of the downtown plan in an attempt to gauge community support for the downtown core.

Councillor McCluskey noted that HRM's budgets are limited and with the creation of the SUP she did not want to see GHP's mandate watered down while still receiving the same funding. She commented that although some people love the downtown there are people who do not want to live in the downtown. Those who want to live in certain places should have the right to do so. Council cannot direct people where to live. She advised that she still hears complaints that it takes too long to get development going although, in Dartmouth, King's Wharf is underway and all of the new Greenvale Lofts will be occupied upon completion.

Mr. Fillmore responded to Councillor McCluskey that staff are recommending HRM's contribution to the SUP be handled under existing resources. If the SUP became successful, the vacant lands could be considered as a funding source.

Councillor Hendsbee expressed concern that the proposal was reminiscent of a moratorium on development for areas outside the urban core. There are arteries that feed the urban core and they have to be free of blockage. He noted that widening roads may be an outcome of the proposed process as not all people will want to live, work or stay in the downtown.

Deputy Mayor Johns assumed the Chair at 3:49 p.m.

Mayor Kelly left the meeting at 3:49 p.m.

Councillor Hendsbee noted that there have been dozens of projects approved by Regional Council but only two were in progress. He suggested that HRM place on their website where those developments are going and the private investment that is going forward. It has been three years since the debate on the "Twisted Sister" development and there was still an empty parking lot at that site. He encouraged the private sector to get moving. He suggested that CN be part of the proposed SUP as they own the Marshalling Yard on the Dartmouth waterfront which he suggested should be moved to the Burnside area. Councillor Hendsbee noted that there have been multiple studies

done and wondered if there was paralysis from analysis, or if progress has been on pause for a long time as HRM did not receive its fair share of funding from the provincial/federal levels. He noted that an elected official at the provincial/federal level has to speak out for HRM on issues such as the proposed Convention Centre or the Commonwealth Games matter. He also suggested one waterfront development corporation for Halifax/Dartmouth.

In response to a question from Councillor Fisher, Mr. Fillmore explained that there were a number of varieties of vacant land available in the downtown core. 12 of the 51 acres are held up in the Cogswell Street interchange area and some for future planning purposes.

Councillor Fisher advised that he supported, in principle, the use of vacant land to densify the urban core.

Councillor Blumenthal commented that discussion has been ongoing for years in regard to building up the urban core but nothing is being done in Halifax or Dartmouth. A thriving downtown is needed. Developers are going to other places, such as Moncton, as within 90 days they get the necessary approval and are offered assistance such as moving a road to accommodate a proposed development. He noted that Gottingen Street was starting to develop. The more people who live downtown, the fewer vehicles will be needed. Affordable housing also has to be addressed such as with the future RFQ for the Bloomfield Centre which is requesting partners to develop the area with affordable housing.

Councillor Dalrymple advised that he was in support of the staff report as presented. Government controls a lot of the land which gives the opportunity for green spaces, parks and gardens that will hopefully lead to a more vibrant downtown area on both sides of the harbour. He explained that he had voted for the downtown library although it would not do a thing for the suburban areas.

Mayor Kelly resumed the Chair at 3:58 p.m.

Councillor Dalrymple expressed concern with the municipality focussing on densification and transportation in the urban core while limiting development in suburban/rural areas. He noted that two-thirds of his district was under stalled growth and people should not be stopped from living where they want to live. To attract people to live downtown, it has to be made more inviting and attractive to people. Supplying a bus or train route for people to access the downtown would encourage more travel to and from the urban core. Having people downtown would encourage more businesses to build. Councillor Dalrymple acknowledged his support for the use of incentives to encourage development in the downtown.

Councillor Wile expressed concern with the motion proposing a new HRM Urban Design Department as the proposed SUP would work well with the existing Urban Design Task Force and HRM by Design. Another department would be redundant.

Young professionals will be attracted to the downtown but you have to have the stores, movie theatres and accessories to attract people to the urban core. She expressed confidence that the SUP would assist in developing a great downtown.

Councillor Lund noted his support in densifying, infilling and greening the downtown but not in limiting a person's choice in where they want to live. He requested clarification on the Opportunity Sites Task Force and how it would work with the SUP and HRM by Design. Councillor Lund requested that staff include in their report to Council information on the Tax Increment Financing program (TIF) which is a program that uses tax money invested into trust funds to be used for development. He commented that HRM needs to create a green city and promote environmental sustainability by considering such programs as Car Share as that would attract new people and university students. If HRM could encourage developers to provide vehicles for people to use, such as a Car Share program, perhaps incentives such as reduced requirements for parking could be provided. Many people who live in the downtown do not want a car or a driveway and would appreciate the use of a vehicle on occasion. He suggested that vacant lots be made more attractive, if nothing was to be built on them for some time, by making the lots green space or parks. He noted that Barrington Street had no green space. He suggested that HRM needs to create a marketing plan to promote HRM.

In response to a question from Councillor Lund, Mr. Fillmore explained that the Opportunity Sites Task Force would be separate from the SUP and would be a group of staff who are already meeting in regard to developments. Those staff persons would package the HRM owned lands and write proposals taking the land to market to create further private investment.

Councillor Karsten commented that some of the vacant land referred to has been strategically set aside and is not accessible today. He acknowledged his support for the proposal and noted that there have been positive things happening in HRM such as the Regional Plan, HRM by Design and millions of dollars in development on the books. Cooperation is required from all levels of government and all partners.

Deputy Mayor Johns assumed the chair at 4:13 p.m.

Mayor Kelly left the meeting at 4:13 p.m.

Councillor Nicoll commented that partnership and collaboration were key to growing the municipality. The lack of a unified voice has been crippling to HRM; a more united voice will strengthen HRM. She suggested that staff reach out to the immigrant population and the Black Business Association to ensure they are represented on the proposed SUP. Aligning with the other levels of government and stakeholders is very positive as there is strength in numbers. She would like to see Halifax and Dartmouth equally represented.

Councillor Walker expressed optimism that the proposed SUP would work as there is a

void and something is needed to kick-start the downtown. HRM established a Regional Plan and approved developments such as the Waterside but things are dormant. He expressed concern with an online article that compared Halifax to an American city that was going under and inquired if the SUP would kick start the revitalization of the urban core or whether HRM has reached the double recession.

Mr. Fillmore responded to concerns raised by Councillor Walker confirming that there has been a tremendous amount of critical work done to date such as HRM by Design, the Regional Plan and Transit Plan but there is no one thing that HRM can do. The SUP will help HRM cover the remaining ground and make those catalytic investments in the downtown.

Councillor Walker commented that his district was thriving with no slowing down of development but he does not see that same development occurring in the downtown. He cautioned HRM to be careful in their dealings with the other levels of government as they cannot criticize them on one hand and request assistance with the other. HRM has to work in partnership with the other levels of government.

Councillor Sloane noted that HRM has to be the catalyst and stop relying on private investment as HRM is responsible for the downtown. HRM should do something with the dormant lands. A lot of the infrastructure in the downtown is 40 plus years old and in need of upgrades. Some of the vacant land owned by all levels of government could be sold off to help revitalize the urban core.

Councillor Smith noted that the staff report makes a great argument for investing in the downtown/regional centre. He noted that a focussed approach was important to eliminate situations such as the Shannon Park area dropping off the development map. He noted that a resident had asked him how often he met with the local Member of Parliament (MP) or Member of the Legislative Assembly (MLA) on collective ways to move forward with development; he had to respond that the political system does not support that relationship. Municipal Council needs to direct themselves to start stimulating activity. The proposed SUP, an entity interested in getting things going and not just talking about ideas, will move HRM forward. Developing the regional centre will draw people downtown. There are 160 units being built in his district that are close to most services resulting in minimal development cost to HRM which is what needs to be supported and pushed for in the regional centre.

In response to a question from Deputy Mayor Johns, Mr. Dunphy explained that development agreements do include a sunset clause with an option to extend if required. The process has been that the developer seeks permission from HRM, then has to go through the public process and finally seeks financing. He noted that one of the benefits of the HRM by Design process is that the public process time line has been reduced and developers can seek funding sooner.

Deputy Mayor Johns requested that Members of Council receive a short list of all

approved developments including the sunset dates.

A vote was then taken on the motion on the floor as follows:

MOVED by Councillor Sloane, seconded by Councillor Wile that Halifax Regional Council adopt in principle the attached *Capital Ideas* discussion paper and direct staff to:

- 1. Undertake discussions with potential members of the proposed *Strategic Urban Partnership (SUP)*, and subsequently empanel the SUP for the purpose of creating a Terms of Reference.**
- 2. In collaboration with SUP members, create a Terms of Reference document to guide the SUP mandate (final Terms of Reference to be endorsed by HRM Council and other members).**
- 3. Explore and develop a variety of financial and policy tools to encourage development and investment in the Regional Centre;**
- 4. Define an operational model for the proposed Opportunity Sites Task Force; and**
- 5. Report back to Regional Council on progress in approximately six (6) months.**

MOTION PUT AND PASSED.

4. RECREATION SERVICE REVIEW - SCOPE

This matter was deferred to the August 10, 2010 Committee of the Whole session during the approval of the agenda. See page 3.

5. ADJOURNMENT

The meeting adjourned at 4:30 p.m.

Cathy J. Mellett
Municipal Clerk