

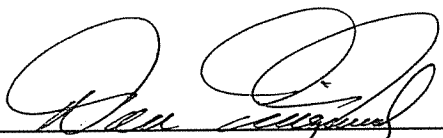


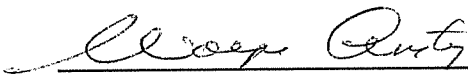
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Halifax Regional Council
April 3, 2007
April 24, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Dan English, Chief Administrative Officer


Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: March 29, 2007

SUBJECT: Capital Cost Charges By-Law

SUPPLEMENTARY REPORT

ORIGIN

On March 27, 2007, Council approved, in principle, By-law C-600, Capital Cost Charges By-law and agreed to schedule a Public Hearing, subject to the following:

- an exemption from capital cost charges for buildings that are replaced because of damage or destruction from fire or other causes or demolished for renovations/redevelopment;
- additional information was requested regarding the impacts of rounding off the amount of the charges; and
- additional information was requested regarding whether HST is collected in addition to the charge.

RECOMMENDATION

Halifax Regional Council Approve First Reading of By-law C-600 "A By-law Respecting Capital Cost Charges", as shown in Attachment A, and schedule a public hearing.

BACKGROUND

On March 27, 2007, Council approved, in principle, By-law C-600, Capital Cost Charges By-law subject to an exemption from capital cost charges for buildings that are replaced because of damage or destruction from fire or other causes.

Council also asked for additional information relating to the rounding off of the amount of the charges, as well as whether HST is collected in addition to the charge.

The amount of the charge that was presented to Council on March 27 was as follows:

Single Detached Residential Building	\$ 877
Multiple Unit Residential Building	\$ 584 per unit
All other uses	\$ 0.27 per square foot

Revenue is anticipated to be approximately \$1.5 to \$1.9 million.

The rates are designed to recover the growth related capital cost of providing wastewater treatment based on the amount of capacity anticipated to be consumed by new developments. This approach reflects the principle of "beneficiary pays".

DISCUSSION

Exemption for Damaged/Demolished Buildings

An amended by-law is attached that includes an exemption for buildings that need to be replaced because they are damaged or destroyed as a result of a fire, flood, or other similar cause, or which are demolished and replaced for renovations/redevelopment.

Rounding off Fees

Option "A"

Council has requested staff to consider rounding the rates as follows:

Single Detached Residential Building	\$ 900
Multiple Unit Residential Building	\$ 600 per unit
All other uses	\$ 0.30 per square foot

This will collect an additional \$100,000 per year. Of this \$100,000, it is anticipated that \$60,000 will be raised from non-residential sources. However, non-residential sources only account for 30% of the estimated flow. For this reason, staff do not feel that option "A" is appropriate.

Option "B"

Another option for Council to consider is to amend the residential rates to \$880 and \$590 for single detached residential units and multiple unit respectively. This has a negligible impact on the revenue collected and meets the intent of the methodology described above. The amended by-law, attached, reflects Option "B".

HST on Municipal Charges

For clarity, the Harmonized Sales Tax is not collected on municipal taxes, charges, or user fees.

BUDGET IMPLICATIONS

Rounding the residential charges to the nearest ten and maintaining the original \$0.27 non-residential rate as outlined in "Option "B" will have no impact on annual recoveries. Staff still anticipate annual revenues will fall in the \$1.5 to \$1.9 million range, subject to the actual type and rate of growth.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

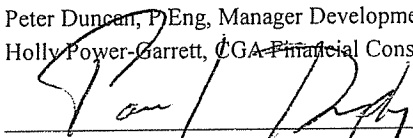
Council can choose to increase the rates in this bylaw according to Option "A", or could choose to leave the rates as originally proposed. These alternatives are not recommended for the reasons outlined in this report.

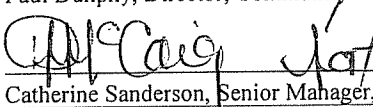
ATTACHMENTS

Attachment A - By-Law Number C-600 Respecting Regional Capital Cost Charges By-Law

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peter Duncan, PEng, Manager Development Engineering
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Report Approved by: 
Paul Dunphy, Director, Community Development

Financial Approval by: 
Catherine Sanderson, Senior Manager, Financial Services, 490-1562

Attachment A

**HALIFAX REGIONAL MUNICIPALITY
BY-LAW NUMBER C-600
RESPECTING REGIONAL CAPITAL COST CHARGES BY-LAW**

GENERAL

The Council of the Halifax Regional Municipality under the authority vested in it by Sections 79 and 81(1)(a) of the Municipal Government Act, enacts as follows:

Number and Short Title

1. This by-law may be cited as By-Law C-600, the Capital Cost Charges By-Law.

Interpretation/Definitions

2. In this By-Law
 - (a) **“Dwelling Unit”** means one or more habitable rooms designed, occupied or intended for use by one or more persons as an independent and separate housekeeping establishment in which cooking, sleeping and bathroom facilities are provided for the exclusive use of such persons.
 - (b) **“Single Detached Residential Building”** means a building that contains not more than one dwelling unit.
 - (c) **“Multiple Unit Residential Building”** means a building that contains more than one dwelling unit.
 - (d) **“Floor Space”** means the total area in square feet of all floors, measured along the outside surface of the exterior walls of the building, including the areas occupied by exterior and interior walls and partitions, all exits, service access spaces, vertical service spaces, and parking spaces within the exterior walls of the building but excluding non-habitable attic spaces and crawl spaces;
 - (e) **“New Building”** means a building that is newly constructed or which is moved onto a lot after coming into force of this By-Law.

ADMINISTRATION

Capital Cost Charge for Wastewater Treatment Facilities

3. (1) A charge in the amount of \$880.00 shall be paid to HRM prior to the issuance of a building permit for all new single detached residential buildings that will be connected to municipal wastewater facilities.
 - (2) A charge in the amount of \$590.00 per dwelling unit shall be paid to HRM prior to the issuance of a building permit for all new multiple unit residential buildings that will be connected to municipal wastewater facilities.
 - (3) A charge at a rate of \$0.27 per square foot of floor space shall be paid to HRM prior to the issuance of a building permit for all other new buildings and building additions in serviced areas.
 - (4) When an un-serviced lot of land, occupied by a building, existed prior to the coming into force of this by-law, the charge shall be payable to HRM when the building is connected to municipal wastewater facilities.
 - (5) Buildings accessory to a residential use that contain facilities which can discharge effluent to the municipal wastewater facilities shall pay a charge at a rate of \$0.27 per square foot of floor space, payable to HRM when the building is connected to municipal wastewater facilities.
4. Notwithstanding Section (3), where a building has previously been connected to municipal wastewater facilities or the capital cost charge has been paid in respect of same, no charge shall be payable under this By-law where the building is rebuilt, replaced or repaired, if destroyed or damaged by fire or otherwise, including demolition for the purpose of renovation or redevelopment, if the building is substantially the same as it was before the destruction or damage and it is occupied by the same use.

Lien

5. A charge or charges levied under this by-law shall constitute a lien against the property in respect of which the charge is levied and may be collected in the same manner and with the same remedies as provided for the collection of real property taxes.

Mayor

Municipal Clerk

I, _____, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted by-law was passed at a meeting of Halifax Regional Council held on (day), (date), (month), (year).

Municipal Clerk