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Item No. 3

Halifax Regional Council
December 11, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

A handwritten signature in cursive script that reads "Cathie O'Toole".

SUBMITTED BY: _____
Cathie O'Toole, Director, Infrastructure & Asset Management

DATE: November 27, 2007

SUBJECT: Capital Cost Charges Update

INFORMATION REPORT

ORIGIN

On October 10, 2006, Council adopted the Infrastructure Charges Study (SGE Acres, September, 2006) as the basis for developing policy and by-laws.

On November 23, 2006, Council authorized a repayable withdrawal from Q310 Service Improvement Reserve to establish a CCC Policy Implementation Team.

BACKGROUND

Council adopted an Infrastructure Charges Policy in 2002, to collect Capital Cost Contributions from developers in identified master plan areas. These charges are collected at the subdivision stage of development in new master plan areas of HRM, and help pay for infrastructure needed to support the development. Typically this infrastructure is either within or alongside of a “Charge Area”, and the amount of the CCC for a particular area depends on the cost of the infrastructure that is required for that area.

The policy did not collect charges from development such as “in-fill” or “re-development” that does not rely on subdivision of land, and did not collect charges for “regional” infrastructure such as wastewater treatment plants. Consequently in 2006 Council commissioned The “Infrastructure Charges Study” (SGE Acres Inc., 2006) to review the CCC policy. The study was adopted as the basis for new policy and by-laws.

The study recommends that Council maintain the existing policy, and consider expanding the policy by focussing on “hard” services. Wastewater treatment plants, regional transportation infrastructure, buses, ferries, transit facilities, and solid waste facilities were identified by the Consultant as services that were best suited for Capital Cost Charges.

It is more difficult to calculate the “growth-related share” of the capital costs for “soft” services such as fire stations, police stations, recreation facilities, libraries and other civic buildings. Clear service level and design standards need to be developed for such facilities before charges can be considered. Charges for these types of facilities are more prone to uncertainty with regard to how the charge is calculated and consequently they give rise to more appeals and legal challenges. CCC’s for these facilities require amendments to the Municipal Government Act (MGA).

Charges for transit infrastructure (e.g. buses, ferries and terminals) and solid waste facilities also required an amendment to the MGA. With the support of the Union of Nova Scotia Municipalities, The MGA was amended at the Fall, 2006 sitting of the Provincial Legislature,. The amendments were proclaimed by Executive Council in January, 2007 and are now in effect.

In May, 2007 Council approved By-law C-600 to collect CCC’s for wastewater treatment at the building permit stage of development

DISCUSSION

The purpose of this report is to provide an update on the progress of implementing new CCC’s relating to transit infrastructure, solid waste facilities, as well as regional transportation infrastructure (e.g. regional collector roads and interchanges).

Solid Waste CCC

Work on developing additional Regional Capital Cost Charges has been on-going. The next CCC that will be presented to Council will relate to Solid Waste Facilities, and it is expected this will be early in 2008.

On November 22, 2007 staff made a preliminary presentation to the Solid Waste Resource Advisory Committee. The purpose of this presentation was to seek input and advise from the Committee, to help ensure that the approach that will be presented to Council is consistent with current or anticipated policies and programs relating to Solid Waste Resources.

After CCC's for Solid Waste are presented, staff will bring forward CCC's for transit and transportation simultaneously. Transit and Transportation CCC's are scheduled to be presented in the third quarter of 2008.

Housing Affordability

During the formal adoption process for By-law C-600 the impact of CCC's on the cost of new housing was brought up. During the discussion that followed, staff committed to providing additional information on housing costs in HRM when additional charges are presented to Council.

Staff are currently studying housing costs as part of the Regional Plan monitoring program. Results of the analysis will be presented to Council early in 2008, when additional CCC's for solid waste facilities are brought forward for Council's consideration. CMHC provided relevant and accurate background data as part of the process as well as an explanation of housing market trends and influencing factors.

This information will also be shared with external stakeholders, including Urban Development Institute and the NS Home Builders Association.

BUDGET IMPLICATIONS

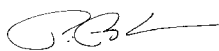
There are no budget implications arising from this report.

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.

ATTACHMENTS

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 and Approved by : Peter Duncan, Manager Capital Cost Contribution Project, 490-5449