


**Item No. 10.1.5**  
**Halifax Regional Council**  
**June 7, 2011**

**TO:** Mayor Kelly and Members of Halifax Regional Council  
Original signed by 

**SUBMITTED BY:** \_\_\_\_\_  
Richard Butts, Chief Administrative Officer  
Original Signed by \_\_\_\_\_  
Mike Labrecque, Deputy Chief Administrative Officer, Operations

**DATE:** May 19, 2011

**SUBJECT:** New Area Rate for Bedford Community Centre and Realignment of  
Catchment Area for St. Margaret's Centre Area Rate

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**ORIGIN**

Motion by North West Community Council on January 27, 2011, to approve an area rate not to exceed \$0.018 per \$100 of assessment and to not exceed a period of 12 years to fund a portion of the cost to construct the proposed Bedford - Hammonds Plains community centre.

Motion by Regional Council on March 29, 2011, to enter into a joint partnership with the Province to add a community centre and regulation size artificial turf sport field to the new high school in Bedford, and to return with the final details of the Bedford-Hammonds Plains Area Rate.

**RECOMMENDATION**

It is recommended that Halifax Regional Council approve:

1. An area rate of \$0.018 per \$100 of taxable assessment to be applied to all Residential, Commercial, Resource, and Business Occupancy assessment within the catchment area depicted in the map attached to this report as Appendix A for a period not to exceed 12 years to partially fund the cost to construct the Bedford Hammonds Plains Community Centre; and
2. Revise the catchment area for the St. Margaret's Centre area rate to that depicted in the map attached to this report as Appendix C to exclude those properties which will be included in the catchment area for the Bedford Hammonds Plains Community Centre.

**BACKGROUND**

The Community Facility Master Plan (CFMP) recommends HRM explore further opportunities to do joint projects whenever new school facilities are being planned. In 2010, HRM was able to successfully collaborate with the HRSB on the addition of a new community centre to the new school in Porters Lake. The funding sources for the Porters Lake community facility included a combination of area rate and general tax rate funding.

In April 2009, the Minister of Education announced a new high school would be built in Bedford to replace Charles P. Allen High School, and that it would be scheduled to open in September 2013. On December 14, 2010, the Province announced that Innovation Drive had been selected as the site for the new school. This is within Bedford West, one of the Municipality's designated Master Plan growth areas.

The announcement of a new school for the area provided an opportunity for HRM to partner with the Province to expand the school to include a community centre component, thereby reducing construction costs over a stand-alone HRM facility. The savings from combining the new community centre with the new school arise from reduced exterior wall construction, reduced footprint (because some classroom space is shared), and reduced land development costs for site development and parking. In addition, there is no HST charged to HRM in this type of partnership. The facility would be owned by the Province but would be governed by a Joint Use Agreement. The estimated savings from partnering are approximately \$2.6 million, compared to the cost of a stand-alone facility. Details of how the savings were determined were included in a staff report dated March 23, 2011 and presented to Committee of the Whole on March 29, 2011.

On March 29, 2011, Regional Council approved entering into a joint partnership with the Province to add a community centre and regulation size artificial turf sport field to the new high school in Bedford at an estimated price of \$10.7 million and to finance the project on the following basis:

| Component             | Funding Source       | Amount                          |
|-----------------------|----------------------|---------------------------------|
| Community Centre      | General Rate         | \$ 4.42 million                 |
| Community Centre      | Area Rate (12 years) | \$ 4.88 million                 |
| Artificial Turf Field | Project Budget       | <u>\$ 1.40 million</u>          |
|                       | Total Project Cost:  | <u><u>\$ 10.70 million*</u></u> |

\* Based on design and Class C cost estimates provided by the Department of Education and Department of Transportation and Infrastructure Renewal.

Council further directed staff to return with the final details of an area rate to fund a portion of the project cost.

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**DISCUSSION**

**Proposed Area Rate for Bedford Community Centre**

The Interim Area Rate Guidelines provide the basis for a community consultation process for new area rates or uniform charges, including the mailing of a formal ballot to all owners of property within the proposed catchment area. However, in this case, a quick response from HRM was required to take advantage of this partnership opportunity without delaying the new school's completion date. As a result, there was not sufficient time to complete a comprehensive community consultation with a formal ballot. The current status of this area rate in terms of the steps for the Interim Area Rate Guidelines is as follows:

*1. Area rates can only be used for the provision of services within the municipal mandate; services traditionally provided by the municipality.*

Section 79(1)(ah) of the Charter states that Council may expend money required by the municipality for playgrounds, trails, bicycle paths, swimming pools, ice arenas and other recreational facilities. The Halifax Regional Municipality and its predecessor municipal units have traditionally funded, either entirely or partially through partnerships, the construction, and ongoing operating costs of recreation facilities.

The provision of funds for the school's equipment enhancements would not typically be a municipal service and would contravene this part of Council's guidelines.

*2. Area rates are not to be used to provide different levels of a municipal service within urban and suburban areas where said service is covered by the general tax rate.*

The community to which the area rate would be applied is within the urban and suburban areas of HRM. Under Council's approved tax structure, the urban/suburban general tax rate includes recreation facilities and area rates would not normally be used. An exception has been made in two other cases where area rates were used to support community facilities in the urban/suburban catchment area (Gordon R. Snow Community Centre and Sackville Heights School Redevelopment). Regardless, Council has the ability to exclude itself from this portion of the guidelines.

*3. In order for a proposed new area rate to move to the process as outlined in #4 below, it must have the support of the area's Councillor(s).*

The catchment area for this area rate falls entirely within Districts 19, 21 and 23. Councillors Outhit and Lund requested that staff bring forward a proposal to Council to enter into a joint project with the Province and to partially fund the community centre from an area rate. Councillor Johns agreed that the catchment area would include Kingswood North in Hammonds Plains.

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*4. Proposals for new area rates must be advertised publicly, clearly identifying affected areas, the purpose for the rate, rate information and the duration the rate is expected to be charged. A public meeting will be held and those attending the meeting will be informed of the rationale for the rate and consulted on its appropriateness.*

A public meeting was held on January 5, 2011 at the BMO Centre on 61 Gary Martin Drive in Bedford. The meeting was advertised in District 21 through Councillor Outhit's newsletter. The article in the newsletter makes reference to an area rate to fund part of the cost of the new community centre. It also provided the date, time and location of the public information meeting. In District 23, Councillor Lund contacted several homeowners' associations by e-mail to advise them of the date, time, location and purpose of the meeting, and requested that they contact their members to advise them of the meeting.

An informal poll of those attending the meeting indicated that almost everyone in the room supported the concept for the project and an area rate or uniform charge to fund 50% of the cost of constructing the community centre.

Councillor Lund also held a public meeting on January 17, 2011 at the Hammonds Plains Fire Hall to discuss the proposed area rate. As with the meeting on January 5, he sent an e-mail to several homeowners' associations by e-mail to advise them of the date, time, location and purpose of the meeting, and requested that they contact their members to advise them of the meeting. Feedback received at that meeting indicated that residents in Hammonds Plains to the west of Lucasville Road already pay an area for the St. Margaret's Centre, another community facility closer by, and therefore do not require and would not make use of another such facility located in Bedford. As a result of this input, the proposed catchment area for the new area rate was changed to exclude Hammonds Plains to the west of Lucasville Road.

A notice was mailed to each property owner inviting them to view the presentation at the January 27 meeting of North West Community Council. A copy of the notice is included with this report as Appendix D. It provided a brief description of the purpose, amount and term of an area rate or uniform charge, and a map of the catchment area on the reverse side. The map included with the notice differs from the map being recommended in Appendix A and was changed due to feedback received from the community.

*5. With the concurrence of the Councillor(s), the request is forwarded to the Community Council for review and a recommendation to Halifax Regional Council. Where a Community Council does not exist, the request will go directly to Halifax Regional Council.*

North West Community Council met on January 27, and staff gave a presentation to approximately 150 people in attendance. North West Community Council voted unanimously to recommend Regional Council implement an area rate of not more than \$0.018 per \$100 of assessment for a period not to exceed 12 years to fund a portion of the cost to construct the proposed Bedford - Hammonds Plains community centre area rate.

6. Any proposed new area rates recommended by a Community Council (or, in the absence of a Community Council, the Councillor for the area) will be submitted to Halifax Regional Council through a staff report with a recommendation from the Chief Administrative Officer. The staff report will identify the implications to the Municipality along with the results of any public meeting.

As a result of the unanimous recommendation of the North West Community Council, this staff report is before Regional Council.

7. Halifax Regional Council is responsible for approving all area rates.

Regional Council may accept, reject or alter the recommendations of the North West Community Council.

### **St. Margaret's Centre Area Rate**

Since 2006-07, an area rate has been in place to cover the debt payments for a debenture issued to fund an expansion to the St. Margaret's Centre located in Upper Tantallon. \$2,964,500 was borrowed to be paid back over 20 years. The area rate was set at \$0.01 per \$100 of taxable assessment and applied to the catchment area indicated by the map in Appendix B of this report.

The original proposed catchment area map for the new Bedford Hammonds Plains Community Centre as shown in the Notification of Area Property Tax Rate (Appendix D) included the Hammonds Plains subdivisions of White Hills, Maplewood, and Glen Arbour. However, as indicated earlier in this report, feedback received at public meetings indicated that residents in Hammonds Plains to the west of Lucasville Road, which includes these three subdivisions, already pay an area for the St. Margaret's Centre which is closer by, and therefore do not require and would not make use of another such facility located in Bedford. As a result of this input, the proposed catchment area for the new area rate was changed to exclude Hammonds Plains to the west of Lucasville Road.

Conversely, properties would be included in the area rate catchment area for the new Bedford Hammonds Plains Community Centre if they were closer to that facility than the St. Margaret's Centre. Therefore, staff reviewed the catchment areas for both facilities to determine if they overlapped. It was found that the section of District 23 that would fall within the catchment area for the new facility in Bedford was currently also within the catchment area for the St. Margaret's Centre. Most of the properties affected are within the Hammonds Plains subdivision of Kingswood.

A cash flow analysis was completed to determine the financial impact of removing this section of District 23 from the area rate catchment area for the St. Margaret's Centre. For 2011-12, the total assessment base of the catchment area would decrease by about 13% from approximately \$3.0 billion to \$2.6 billion. As a result, the area rate would raise about \$260,400 this year instead of \$300,800. This will necessitate the area rate remaining in place for 15 instead of 14 years, ending after 2020-21 instead of 2019-20 in order to pay off the outstanding debt. This is

still well within the 20 year amortization period for the debt. Therefore, staff are recommending that the area rate catchment area for the St. Margaret's Centre be realigned to exclude those properties which would be included in the new catchment area for the Bedford Hammonds Plains Community Centre.

### **BUDGET IMPLICATIONS**

The financial implications of this project were included in a staff report dated March 23, 2011 and presented to Committee of the Whole on March 29, 2011. The purpose of this report is to recommend an area rate amount and the catchment area required as directed by Regional Council to fund \$4.88 million of the project cost.

### **FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN**

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

### **COMMUNITY ENGAGEMENT**

Details of the public consultation process are provided in the Discussion section of this report.

### **ALTERNATIVES**

1. Regional Council could decide to further change the catchment area for the Bedford Hammonds Plains Community Centre Area Rate from the recommended map in Appendix A. However, this is not recommended as this map has already been changed based on feedback from public consultation.
2. Regional Council could decide not to change the catchment area for the St. Margaret's Centre area rate. However, this would result in some properties paying area rates for both facilities. This is not recommended as properties should only be charged an area rate for the community facility they are closest to, and therefore most likely to use.
3. Regional Council could approve proceeding with the project with a requirement that 100% of the funding come from the general tax rate and that there be no area rate in the urban/suburban area. This approach is consistent with Council's approved tax structure. It does, however, place greater cost pressure on the general tax rate.
4. Regional Council could decide to change or limit the amount of funding provided to the project from the area rate by changing the catchment area, the amount, or the term of the area rate.
5. Regional Council could remove amounts intended for equipment enhancements within the school and reduce the area rate levy accordingly. The Community has requested that there be an

additional allowance of \$300,000 allocated for equipment enhancements to the school “cafetorium”. This cafetorium will serve the school need for performance and presentation space, and will be available for community use as well. These requests have come forward from the community and are outside of the program scope of new school construction for the Province. In addition, funding for this type of facility falls outside of the current Municipal mandate and is therefore not proposed as part of the cost shared funding. However, the allowance was included in the funding formula proposed to Council on March 29, 2011 as a direct result of strong community comment. The area rate could be reduced by one-tenth of one cent to \$0.017 per \$100 of taxable assessment if funding for the equipment enhancements was removed.

**ATTACHMENTS**

- Appendix A: Map of Proposed Catchment Area for Bedford Hammonds Plains Community Centre Area Rate
- Appendix B: Map of Current Approved Catchment Area for St. Margaret's Centre Area Rate
- Appendix C: Map of Proposed Revised Catchment Area for St. Margaret's Centre Area Rate
- Appendix D: Notification of Area Property Tax Rate

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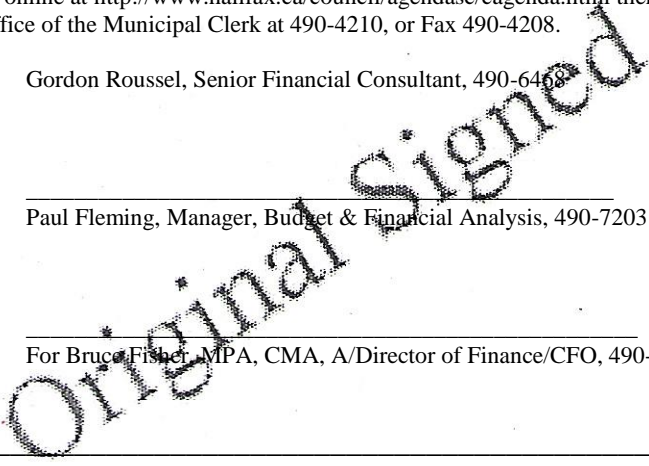
A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Gordon Roussel, Senior Financial Consultant, 490-6458

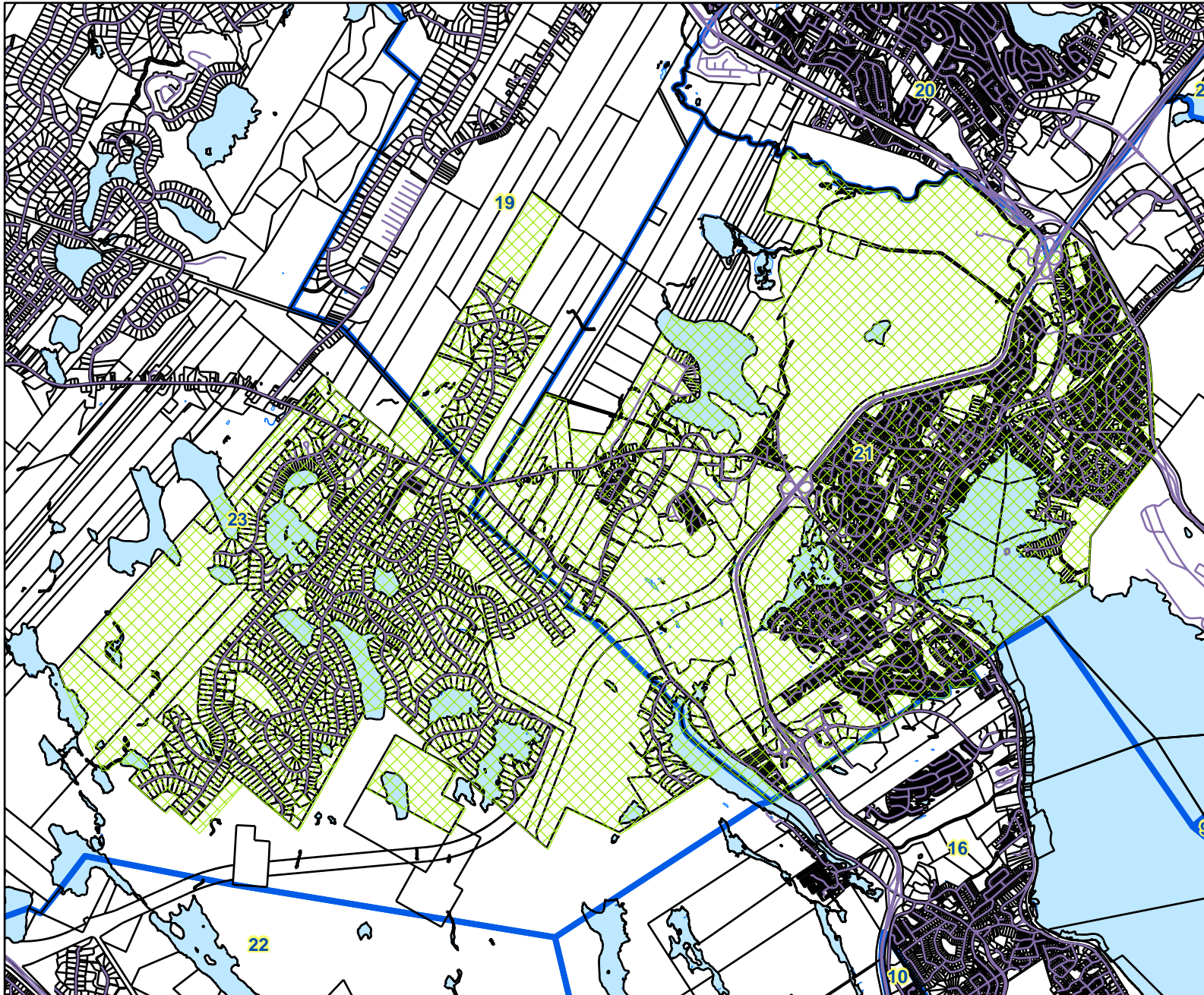
Report Approved by: \_\_\_\_\_  
Paul Fleming, Manager, Budget & Financial Analysis, 490-7203

Report/Financial Approval by: \_\_\_\_\_  
For Bruce Fisher, MPA, CMA, A/Director of Finance/CFO, 490-6308

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**Bedford Hammonds Plains Rec**  
**Revised May 12, 2011**

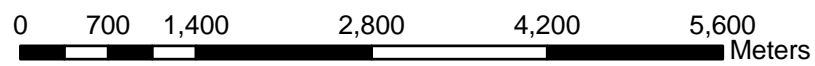


**Legend**

- Street Centreline
- Property Line
- Electoral District 2008
- Lakes

**PROVINCE**

- ATLANTIC OCEAN



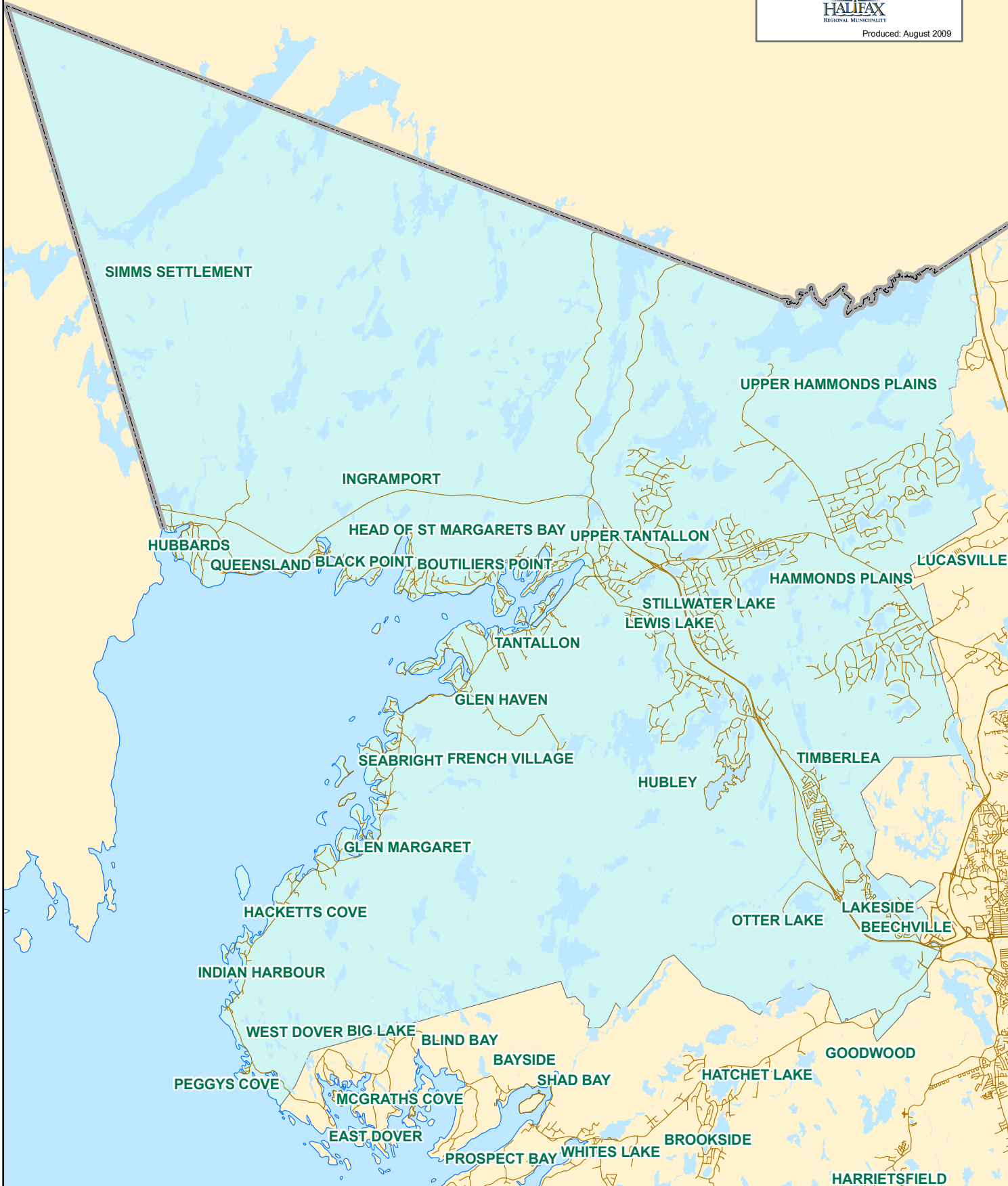


St. Margarets Centre  
Area Rate

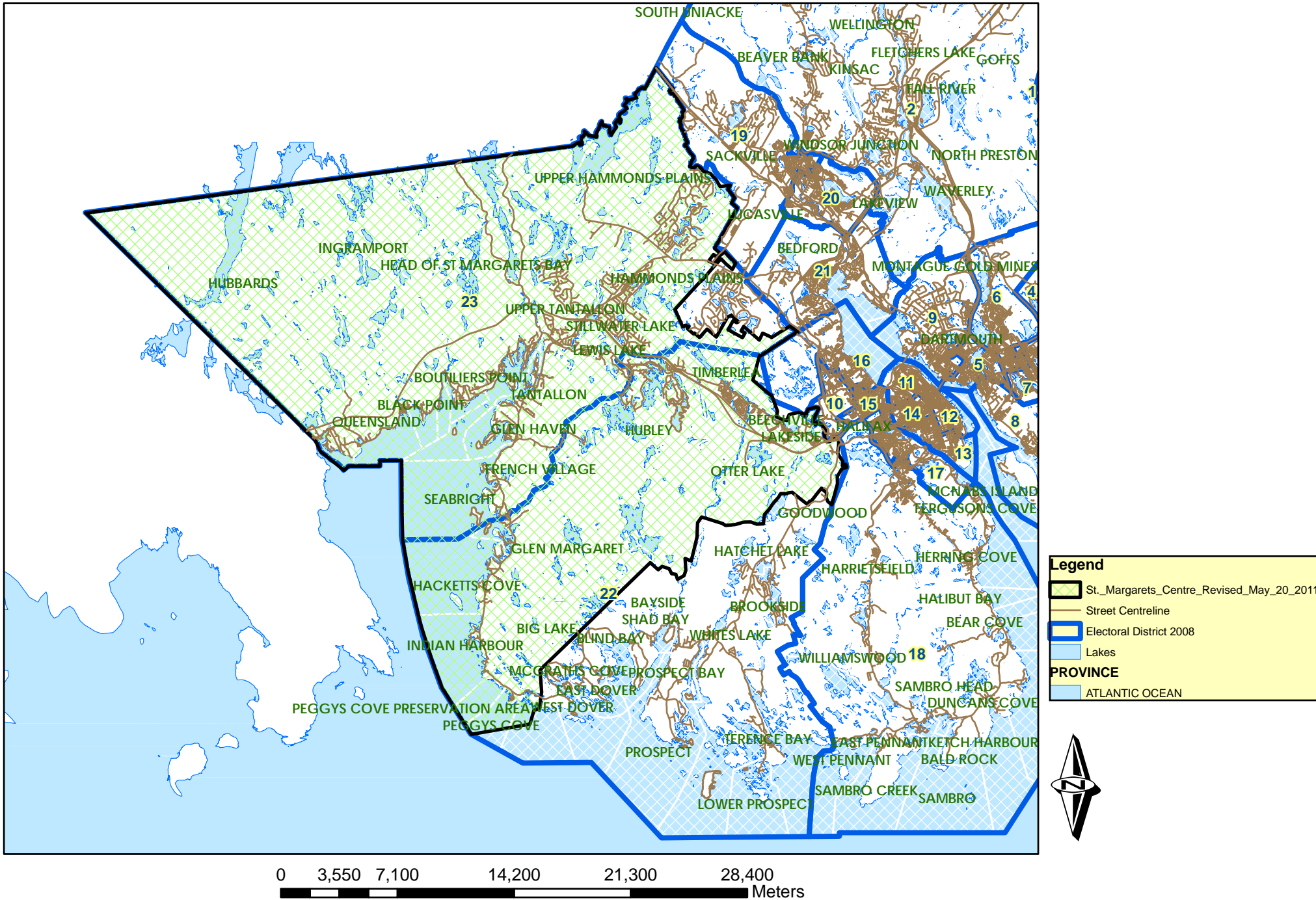
Recreation 

**HALIFAX**  
REGIONAL MUNICIPALITY

Produced: August 2009



**St. Margarets Centre Area Rate  
Revised May 20, 2011.**



Appendix D



**NOTIFICATION OF AREA PROPERTY TAX RATE**

Halifax Regional Municipality invites you to an information session regarding the construction of a new community recreation facility to serve the residents of Bedford and Hammonds Plains. This new facility will be built as an addition / enhancement to the replacement high school for Charles P Allen. The new High School and the Community Centre are scheduled to open in September 2013 on Innovation Drive in West Bedford.

The cost of the new recreation facility is estimated at \$6.4 million. The project is being proposed at this time because of the unique opportunity to combine it with a new school saving about \$2 million dollars over the cost of constructing a stand-alone facility. The funding formula that will be proposed to Regional Council to cover the cost of construction consists of 50% from HRM funds and 50% from a new area property tax. If any other funding is identified, it would be used to reduce the amount of Area Rate tax revenue proposed in this formula. Additionally, a full size artificial turf athletic field is proposed for the site at a cost of \$1.7 million. If approved by Regional Council, the cost of the field will be funded through the HRM Capital Budget.

As a result, the proposed annual area rate will be about \$16.00 per \$100,000 of taxable assessment for a period not to exceed 10 years. This compares favourably to the following area rates currently in place in other areas of HRM for construction of new recreation/ community facilities:

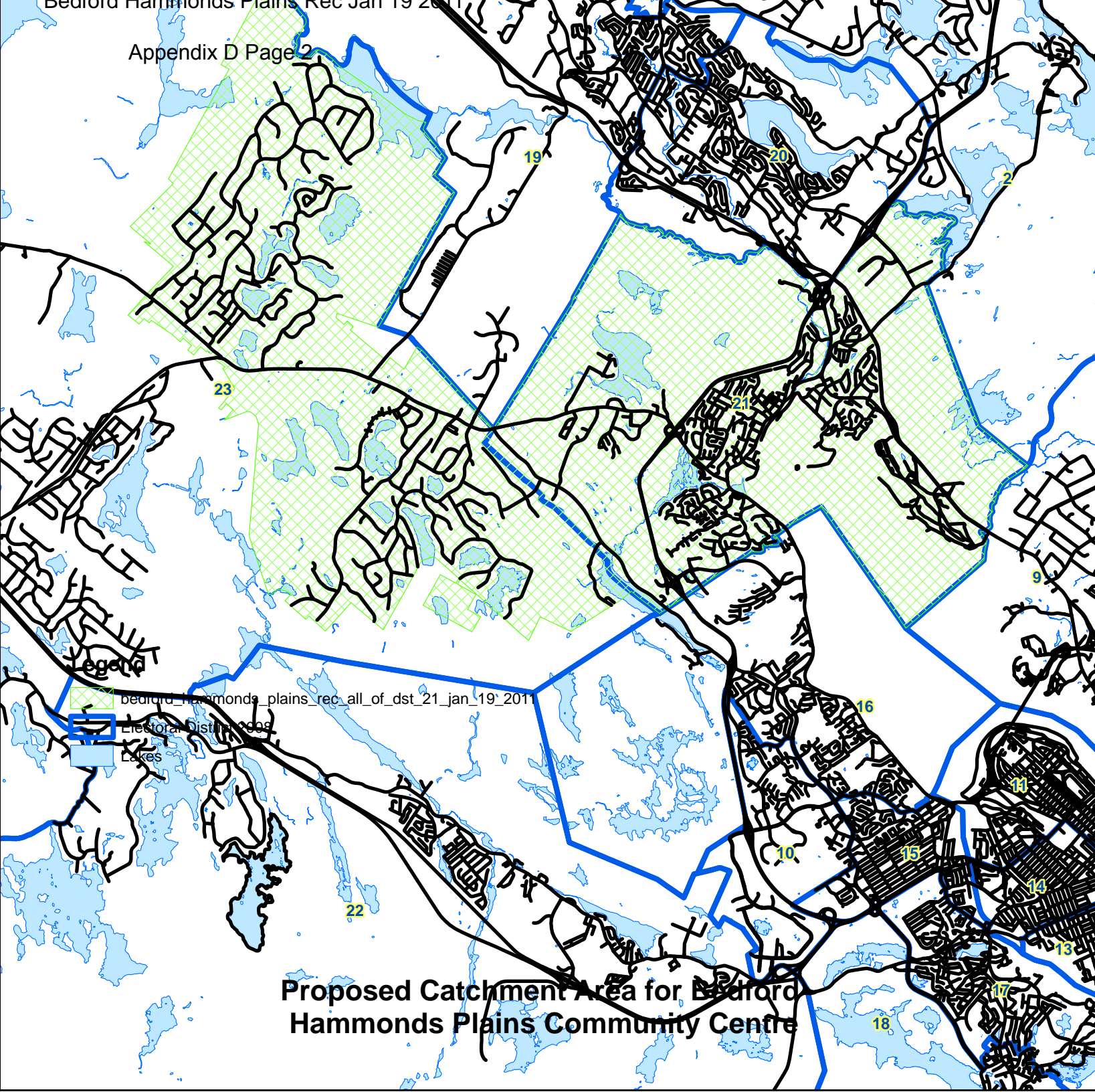
|   | Rate per \$100,000<br>of Assessment | Duration<br>(Years) |
|---|-------------------------------------|---------------------|
| Beaver Bank Recreation Centre:                | \$70.00                             | 20                  |
| Gordon R. Snow Community Centre (Fall River): | \$63.00                             | 10                  |
| Prospect Road Recreation Centre:              | \$38.00                             | 20                  |
| Porter's Lake Community Centre:               | \$24.00                             | 10                  |
| Sackville Heights Community Centre:           | \$10.00                             | ongoing             |

A map of the area that would be subject to the area rate is on the reverse side of this notice. There will be an opportunity at the meeting to answer questions from the public regarding the area rate or any other aspect of the funding.

**Meeting Date & Time:** Thursday, January 27, 7:00 pm

**Meeting Location:** LeBrun Centre - Lions Den, 36 Holland Drive, Bedford

If you are unable to attend, you can still provide feedback by contacting Councillor Tim Outhitt (490-5679, 229-6385 or at [outhitt@halifax.ca](mailto:outhitt@halifax.ca)) or Councillor Peter Lund (497-7508 or at [peter.lund@halifax.ca](mailto:peter.lund@halifax.ca)). For more information, please visit our website at: [www.halifax.ca/facilities/CFMP/BHPHSCCommunityCentreEnhancement.html](http://www.halifax.ca/facilities/CFMP/BHPHSCCommunityCentreEnhancement.html)



**Proposed Catchment Area for Bedford  
Hammonds Plains Community Centre**

