



**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES**
July 22, 2014

PRESENT:

Mayor Mike Savage
Deputy Mayor Darren Fisher
Councillors: Barry Dalrymple
 David Hendsbee
 Bill Karsten
 Lorelei Nicoll
 Gloria McCluskey
 Waye Mason
 Jennifer Watts
 Linda Mosher
 Russell Walker
 Stephen Adams
 Reg Rankin
 Matt Whitman
 Brad Johns
 Steve Craig
 Tim Outhit

STAFF:

Mr. Richard Butts, Chief Administrative Officer
Mr. John Traves, Municipal Solicitor
Ms. Sherryll Murphy, Deputy Municipal Clerk
Mr. Liam MacSween, Legislative Assistant

The following does not represent a verbatim record of the proceedings of this meeting.

A video recording of this meeting is available: <http://www.halifax.ca/council/agendasc/cagenda.php>

The agenda, supporting documents, and information items circulated to Council are available online:
<http://www.halifax.ca/council/agendasc/140722cow-agenda.php>

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The meeting was called to order at 10:00 a.m. and recessed at 12:08 p.m.

1. CALL TO ORDER

Mayor Savage called the meeting to order at 10:03 a.m.

2. APPROVAL OF THE MINUTES – NONE

3. Capital Cost Contributions for Transit and Transportation Services

The following documentation was before Committee of the Whole:

- *Extract of Regional Council Minutes dated October 29, 2013*
- *Extract of Regional Council October Minutes dated October 10, 2006*
- *Extract of Committee of the Whole Minutes dated October 10, 2006*
- *A staff recommendation report dated, April 7, 2014, 2014.*

Ms. Jane Fraser, Director of Planning and Infrastructure, provided a brief introduction regarding the topic of Capital Cost Contribution for Transit and Transportation Services. Ms. Fraser introduced Mr. Peter Duncan, Manager of Infrastructure who provided a presentation pertaining to Capital Cost Contributions for Transit and Transportation Services.

Councillor Mosher entered the meeting at 10:11 a.m.

Councillor Outhit stated that the topic of Capital Cost Contributions (CCC's) for Transit and Transportation services was previously before Council on October 29, 2013. He inquired if consultation with the development community regarding the proposed CCC's took place as the staff report was being developed.

Ms. Fraser noted that the original direction from Council requested staff to present information pertaining to the proposed CCC's to a Committee of the Whole session for discussion prior to formal consultation with the development community. She noted that informal conversations have taken place with the development community regarding the CCC's and that formal consultations will begin subject to the direction provided by Council.

Councillor Outhit expressed his concern that revenue collected from the proposed CCC's will be used to fund bus services for other areas in the municipality while not necessarily providing services in the communities in which the development charge will be levied.

Mr. Richard Butts, Chief Administrative Officer commented that development charges are complex and are used to fund many aspects of transportation services aside from bus routes, such as bus terminals, road infrastructure, and technology improvements. He commented that the entire municipality benefits from transit upgrades.

Councillor Rankin thanked staff for the presentation and noted that Council must be aware of the current economic climate when considering development charges. He commented that the proposed CCC's may have a detrimental effect on the housing and real estate market in HRM. He concluded by stating that Council should consider the timing of the proposed CCC's and affect it may have on the local economy.

Ms. Fraser advised that a housing market study was conducted by staff which examined the impacts of the proposed CCC's on residents and industry. She noted that staff considered a strong basis of evidence with respect to the proposed CCC's prior to bringing the matter before Council.

MOVED by Councillor Hendsbee, seconded by Councillor McCluskey that that Committee of the Whole recommend that Halifax Regional Council:

1. Adopt a Regional Capital Cost Contribution for Transportation Services, collected prior to issuing a building permit region wide; from all types of development that occurs in the commuter shed, more particularly described as the Regional Transportation Rate Boundary;
2. Adopt a Regional Capital Cost Contribution for Transit Services, collected prior to issuing a building permit region wide; from all types of development that occurs in the commuter shed, more particularly described as the Regional Transportation Rate Boundary; and,
3. Direct staff to consult with the development industry prior to completing a background study that would form the basis for the proposed charges.

Councillor Hendsbee expressed his support of the staff recommendation with conditions. He commented that he views CCC's like green fees at a golf course in that part of the membership dues are required for the overall maintenance and improvement of the course. He noted that he would like to see strict conditions within the CCC for funds to be directed towards truck and major commuter roads. He further stated that he will not support the recommendation without provisions for MetroX and Metro Link services and park and rides

Councillor Karsten inquired whether or not the proposed CCC's will be attributed toward development on infill lots within the urban core if the recommendation were to be approved. He commented that he would be more comfortable supporting alternative number two, as outlined in the staff report that would restrict the CCC for infill development in the Urban Core.

Ms. Fraser commented that staff is considering a region wide CCC for all development in HRM. She commented that alternative two would restrict infill development in the urban core from the CCC. She commented that staff can explore that option if Council provides the direction to do so.

Councillor Whitman thanked staff for their presentation and expressed his concern that the development community was not consulted prior to this matter being before Council. He commented that the communities of Hubbards and Upper Hammonds Plains do not have access to transit services. He requested clarification on the rationale to apply development charges for these areas.

Mayor Savage noted that the direction provided by Council in October of 2013 stated clearly that consultation with the development community would take place after staff has provided the report regarding the service boundaries to Committee of the Whole.

Ms. Fraser stated that the theory behind the CCC is that every person who lives within the municipality benefits from transit service whether or not those services are used directly. She explained that although a resident may not use public service or have direct access to the services, they benefit from less traffic on the road networks and greater capacity.

Councillor Whitman commented that the theory is difficult to sell to residents who wish to have bus services but do not.

Mr. Duncan reiterated the point that CCC's are used in many ways, such as the development a transit demand management system, widening roads, improving infrastructure and expanding services. He commented that the central benefit to all of these scenarios is that road capacity is increased.

Councillor Johns echoed Councillor Whitman's comments on rationalizing development charges to residents. He commented that he does not support levying CCC on residents who will not benefit from bus services.

Councillor Mason stated that Council should consider the long run costs of providing and expanding transit and transportation services over the next two or three decades. He commented that even if the market is slowing down, transit costs and the need to expand services are still a reality. He advised that

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development charges are being implemented in similar municipalities across the country and HRM's proposed CCC is less than that of other jurisdictions. He stated that he accepts the idea that CCC's should go toward all costs associated with providing transit services.

Councillor Dalrymple noted that overall he is in favor of CCC's. Like Councillor Rankin, he commented that he is concerned with timing of this particular proposal and is in favour of waiting for HRM to get back to level competitive footing with other communities in terms of housing affordability. He noted that HRM is losing many people to neighboring municipalities which have similar services and lower housing costs. He further inquired if the proposed CCC's will be used to fund commuter rail services for HRM.

Mr. Duncan stated that rail services will not be included with respect to the proposed CCC's as they are used to fund existing services. Councillor Dalrymple stated that he will not support the staff recommendation unless some of the funds collected from the development charges are put in to reserve accounts to provide services to areas that do not have access to transit.

Councillor McCluskey expressed her opinion that new development should assist in the funding of transit services. She noted that many HRM residents benefit from transit services whether or not they use them on a daily basis. She commented that she will support the staff recommendation and inquired if the proposed CCC's will be applied to new developments that are currently being constructed.

Mr. Duncan commented that if the staff recommendation is approved, CCC's will be applied to new developments where building permits have not yet been issued.

Deputy Mayor Fisher commented that since 2006, Regional Council has directed a great deal of growth to the Regional Centre. He stated that the growth in this area is unprecedented and that he does support CCC's for infill lots and development in the urban core, as transit services for these areas is already funded through assessment. He inquired if the staff recommendation suggests that CCC's should be applied to infill properties in the Regional Centre.

Ms. Jane Fraser replied in the affirmative and noted that the current recommendation provides that CCC's should be applied to infill properties. She reiterated that CCC's for infill properties in the Regional Centre can be removed from the recommendation if Regional Council directs staff to do so.

Councillor Mosher expressed her support for the staff recommendation and commented that the entire municipality benefits from enhanced public transportation. She commented that transit and transportation services must be looked at from a regional perspective as opposed to the individual community level.

Councillor Outhit stated that he does not believe that consumers will be prevented from buying a house if the price increases by \$350 or \$400 annually because of a development charge. He further commented that HRM needs to implement a mass transit system and that funds collected from CCC's should be directed to the development of this type of system.

Councillor Watts expressed her support for the staff recommendation. She requested further information with respect to commuter rail in HRM and if these initiatives can be funded as part of the CCC. She further noted that as a Councillor, she must make decisions that benefit the entire municipality as opposed to one specific area.

Ms. Fraser commented that CCC's are developed to help fund services that are currently provided. She advised that staff cannot collect funding for services that are not yet provided. She further noted that the proposed CCC's will fund transit and ferry service and can be amended to include commuter rail as work continues on those services.

Councillor Nicoll stated that she supports the staff recommendation. She further commented that the report will be coming back to Regional Council and can be discussed in further detail at that time. She explained that CCC's are required to fund transit services, especially for growing communities. She

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requested an update on Halifax Transit's Service Plan Review and when Council and the public can expect to hear feedback from staff pertaining to this initiative.

Ms. Fraser commented that Halifax Transit's Service Plan Review is related to the matter that is before Council. She commented that staff will examine the discussions that have taken place and are seeking direction so that the work that is required on both matters can be undertaken.

Councillor Craig commented that the discussion on CCC's is centered on covering growth and providing the necessary infrastructure to sustain that growth. He advised that infilling in the urban core, is growth and as such, a CCC should be applied to all new development. He noted that as the population increases, especially in the urban core, a greater demand will be placed on transportation services which will ultimately require more funding.

Deputy Mayor Fisher assumed the position of Chair. Mayor Savage left the meeting at 11:34 a.m.

Councillor Rankin reiterated an earlier point about the timing and stated that he is not satisfied that Council has resolved as to whether or not further CCC's will hurt the housing and real estate industries in HRM. He commented that Council needs to get the sequence right with respect to consultation with industry and that he will support only the third recommendation as outlined in the staff report.

Councillor Karsten commented that as the recommendation stands, nothing is concrete with respect to levying a CCC. He noted that the purpose of the recommendation is to provide staff with direction to conduct the work that is required so that Council can then make an informed decision on the matter. He expressed his view that adding a development charge to a single lot within a neighborhood, where no other development charge for development was required, is fundamentally unfair. As such he proposed the following amended motion:

MOVED by Councillor Karsten, seconded by Councillor Mason that the motion be amended to replace the words "from all types of development that occur in the commuter shed," with the words "from all Greenfield development that occurs in the commuter shed," in the second line of parts 1 and 2.

Councillor Karsten asked staff to define Greenfield development. Mr. Duncan stated that Greenfield development is defined as secondary planning areas under RP+5. He commented that areas such as Bedford South, Russell Lake, Sandy Lake and Port Wallace would be considered Greenfield development areas.

Councillor Mason inquired if there is a plan to tier the proposed CCC to capture the development of multi-unit buildings. Mr. Duncan replied in the affirmative.

Mayor Savage returned to the meeting and reassumed the position of Chair at 11:40 a.m.

In response to a follow up question from Councillor Dalrymple, Ms. Fraser confirmed that CCC's would be applied to secondary planning areas for transportation and transit services if the amended motion is passed.

Councillor Dalrymple further commented that provisions for rail services should be considered as part of the CCC structure for Greenfield areas for new growth.

Councillor Outhit commented that he will support the amendment as presented. He stated that some types of growth are more cost effective than others and that people should not be charged for infill development.

Councillor Hendsbee stated that he has difficulty supporting the amended motion. He stressed that all development anywhere within the commuter shed should be applicable to the CCC and noted that

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restricting the charge for infill development in the urban core is not fair to rural residents of HRM. He advised that he will not be supporting the amendment.

Councillor McCluskey commented that she will not be supporting the amendment and that she preferred staff's recommendation as it is more equitable for all residents of HRM.

Councillor Watts stated that she views CCCs for Transportation and Transit Services as a work in progress. She commented that she will support the recommendation and that she is looking forward to when this matter comes back to Council. She requested that the definition regarding Greenfield development be made explicitly clear in the next staff report and that more information be provided on mass transit options for HRM.

A further discussion ensued and the **MOTION TO AMEND WAS PUT AND PASSED.**

The Motion now reads:

MOVED by Councillor Hendsbee, seconded by Councillor McCluskey that that Committee of the Whole recommend that Halifax Regional Council:

1. **Adopt a Regional Capital Cost Contribution for Transportation Services, collected prior to issuing a building permit region wide; from all Greenfield development that occurs in the commuter shed, more particularly described as the Regional Transportation Rate Boundary;**
2. **Adopt a Regional Capital Cost Contribution for Transit Services, collected prior to issuing a building permit region wide; from all Greenfield development that occurs in the commuter shed, more particularly described as the Regional Transportation Rate Boundary; and,**
3. **Direct staff to consult with the development industry prior to completing a background study that would form the basis for the proposed charges.**

THE MOTION, AS AMENDED, WAS PUT AND PASSED.

4. ADJOURNMENT

The meeting was adjourned at 12:08 p.m.

Cathy J. Mellett
Municipal Clerk