



**HALIFAX REGIONAL COUNCIL
COMMITTEE OF THE WHOLE MINUTES
July 21, 2015**

PRESENT:

Mayor Mike Savage
Deputy Mayor Lorelei Nicoll
Councillors: Barry Dalrymple
David Hendsbee
Bill Karsten
Gloria McCluskey
Darren Fisher
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. Martin Ward, Acting Municipal Solicitor
Ms. Cathy Mellett, Municipal Clerk
Ms. Jennifer Weagle, 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://archive.isiglobal.ca/vod/halifax/archive_2015-07-21_live.mp4.html*

*The agenda, supporting documents, and information items circulated to Council are available online:
<http://www.halifax.ca/council/agendasc/150721cow-agenda.php>*

The meeting was called to order at 10:00 a.m. and Council adjourned at 12:23 p.m.

1. CALL TO ORDER

Mayor Savage called the meeting to order at 10:00 a.m.

The Mayor noted that Councillors Whitman and Mosher exchanged seats for the day.

2. APPROVAL OF THE MINUTES – NONE

3. CONDO ASSESSMENT AND TAX INCENTIVES FOR DENSITY

The following information was before Committee of the Whole:

- A staff recommendation report dated June 30, 2015
- A copy of the staff presentation dated July 21, 2015
- An extract of minutes from the Regional Council meeting of October 22, 2013
- An extract of minutes from the Committee of the Whole meeting of October 22, 2013
- An extract of minutes from the Regional Council meeting of April 9, 2013

Mr. Bruce Fisher, Acting Chief Financial Officer, Finance and Information Technology, presented to Committee of the Whole on the topic of condominium assessments and tax incentives for density. A copy of the presentation is available online and on file. Mr. Fisher noted that the Property Valuation Services Corporation has been provided with the June 21, 2015 staff report.

MOVED by Councillor Rankin, seconded by Councillor Karsten,

THAT Committee of the Whole recommend that Halifax Regional Council direct staff to prepare the 2016-17 budgets using the current tax structure, without any specific changes for multi-unit properties.

Councillor Rankin suggested that the motion requires further direction, suggesting that Council start with clarification of what it has the authority to review and amend. He noted inequity created by the Capped Assessment Program (CAP), that the Union of Nova Scotia Municipalities has been pressing to remove the CAP, and Council should hold a discuss specifically on the CAP to determine its position on the program.

Councillor Karsten reminded Council that creating a separate tax rate for condominium owners could have an adverse effect on other home owners.

Responding to an inquiry from Councillor Fisher, Mr. Fisher confirmed that he found no Canadian examples of condominium tax rates.

Councillor Walker discussed the healthy condominium market in his district. He indicated that he accepts staff's recommendation at this time, but asks that staff keep looking for a solution to this issue.

Councillor Mason spoke in support of the idea of a larger discussion specific to the CAP, and commented that he would rather see targeted relief for seniors and low income residents rather than blanket relief for all condominium owners.

Councillor Mosher discussed inequities in tax assessments and services, such as garbage removal, between sometimes identical condominium and apartment buildings. She indicated she would like to see either the maximum tax on multiple unit properties or look at a multi-unit tax rate. Councillor Mosher commented that she is in favour of the CAP, noting that she believes it to be fair and equitable, and allows people to stay in their homes.

Councillor Hendsbee cited a number of cities internationally that have condominium and apartment building specific tax rates. He discussed the increased need for services such as fire, policing, and recreation which arises with increased density through condominium and apartment construction.

Councillor McCluskey commented that the assessment method may not be perfect, but it is commonly used across Canada. She noted that while condominium and apartment buildings may be similar in terms of construction, they are different in value because an apartment building is assessed on an income approach based on the rental income generated. Councillor McCluskey noted that it is a difficult problem to solve, because if you reduce taxes for one group, the funds have to be made up somewhere else.

Councillor Watts noted that the report provides good information on long term discussions about taxes and provides Councillors with a basis for discussion with residents about options. She commented that there needs to be discussion about tax fairness for new forms of density being built. Councillor Watts supported continuing the discussion on the impacts and implications of the CAP. She noted that the discussion should include an examination of specific groupings of home ownership, and how homeowners with lower assessments are being disadvantaged by the CAP.

Councillor Outhit encouraged an opportunity for further discussion on options set out in the staff report, particularly the frontage charge for road costs and maximum tax on multi-unit properties options.

Councillor Craig suggested that the CAP should be removed and taxes should be market assessment based.

Councillor Rankin commented that it is clear from the discussion today that many questions remain on this topic, and suggested tabling the report for future discussion.

MOVED by Councillor Rankin, seconded by Councillor Whitman,

THAT Regional Council table the July 21, 2015 staff report, pending receipt of a report on small business taxation.

Council discussed the motion to table.

Councillor Outhit suggested that as an alternative to tabling the report, that Council direct staff to prepare the 2016-17 budgets using the current tax structure, and schedule a further Committee of the Whole meeting to continue the discussion of the CAP and property tax options outlined in the staff report.

Councillor Mason concurred, noting that he would be interested in receiving a staff report in regard to the option outlined on page 8 of the staff report "Tax Credit for Investment" and consideration of programs such as in Saskatoon in which the city partners with local developers to provide a 5% down-payment for new homeowners.

MOTION TO TABLE DEFEATED.

MOVED by Councillor Outhit, seconded by Councillor Dalrymple, that the motion be amended to read:

- 1. THAT Committee of the Whole recommend that Halifax Regional Council direct staff to prepare the 2016-17 budgets using the current tax structure, without any specific changes for multi-unit properties; and**
- 2. Council schedule a Committee of the Whole session to discuss all options outlined in the June 30, 2015 staff report, including the Capped Assessment Program (CAP).**

Mr. Fisher clarified that staff are prepared today to discuss each option set out in the staff report, although they do not have prepared a rate for each option, as there are numerous rate scenarios. Based on Mr. Fisher's response, Councillor Outhit indicated he wished to withdraw the amendment.

AMENDMENT WITHDRAWN, with the agreement of Council.

In response to a question from Councillor Hendsbee, Mr. Fisher indicated that he is not familiar with the concept of condominium land ownership, such as the Seven Lakes Development in Porters Lake, and he will look into this further.

Council discussed the option of holding another Committee of the Whole session to discuss the CAP, with the following suggestions for that meeting:

- That the discussion include dialogue on potential formulas for tax calculation.
- That Council be provided with up to date 2015 tax information for the discussion.
- That it would be helpful to have information on the perspectives of the Province and the Union of Nova Scotia Municipalities with regard to the CAP.

Council voted on the main motion at this time, as follows:

MOVED by Councillor Rankin, seconded by Councillor Karsten,

THAT Committee of the Whole recommend that Halifax Regional Council direct staff to prepare the 2016-17 budgets using the current tax structure, without any specific changes for multi-unit properties.

MOTION PUT AND PASSED.

MOVED by Councillor Mason, seconded by Deputy Mayor Nicoll,

THAT Regional Council request a supplementary staff report on the tax credit for investment, as outlined at the bottom of page 8 of the June 30, 2015 staff report.

MOTION PUT AND PASSED.

MOVED by Councillor Outhit, seconded by Councillor Whitman,

THAT Regional Council hold a Committee of the Whole session to discuss the Capped Assessment Program (CAP).

MOTION PUT AND PASSED.

4. ADJOURNMENT

The meeting was adjourned at 12:23 p.m.

Cathy J. Mellett
Municipal Clerk