

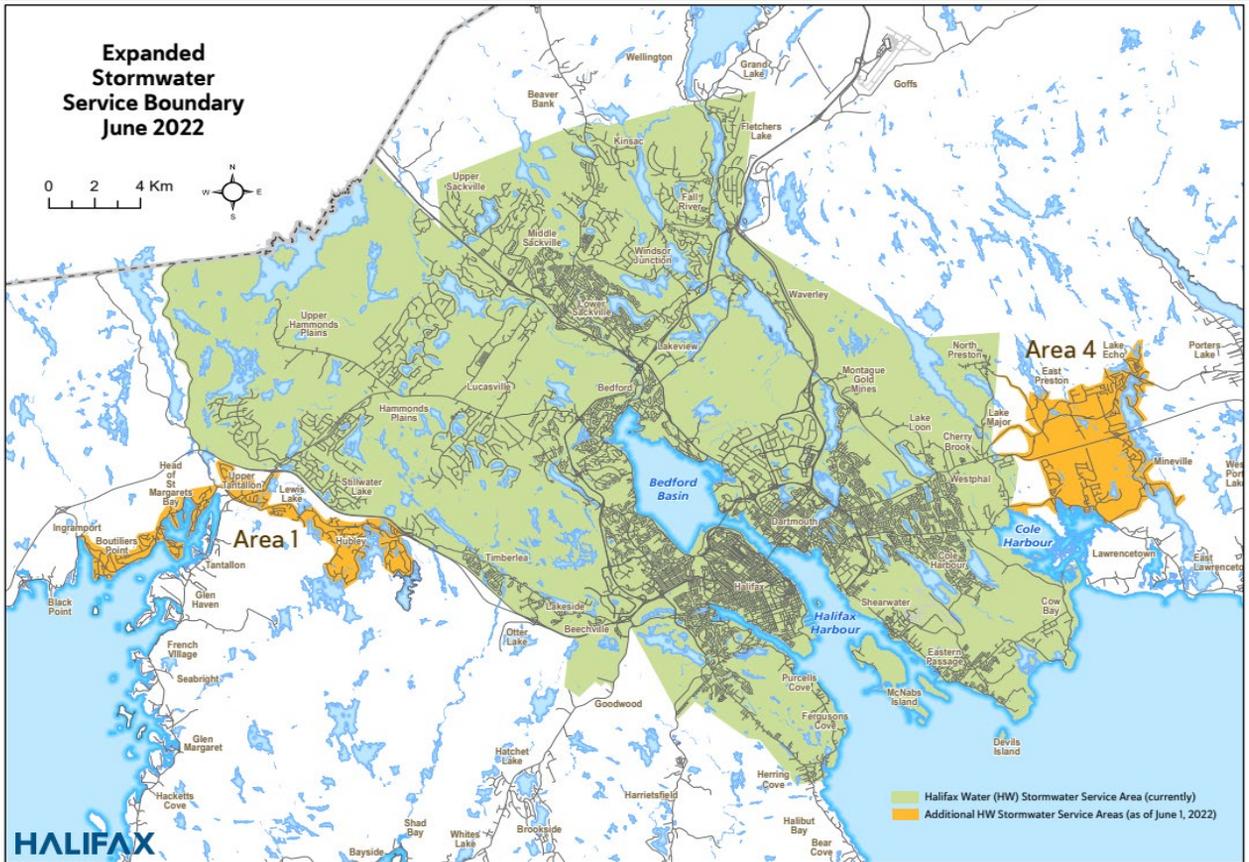
Item 4

HALIFAX

STORMWATER ROW FUNDING OPTIONS-SUPPLEMENTAL

Committee of the Whole
May 31, 2022

Municipal Stormwater Service Area (June 1, 2020)



Equity Considerations

Narrative 1

- Stormwater ROW charge is for benefit received by HRM roads
- HRM road costs are funded by all general rates. Similarly, provincial roads are funded by all residents in HRM (through provincial taxes)

Narrative 2

- Within municipal stormwater service area, Halifax Water (HW) collects site-generated charge from 89% of all properties
- Resource and other properties with limited development (less than 50m²), as well as properties that drain away from HW infrastructure, are excluded
- HRM area rate could include all properties within service area

History of Funding

Fiscal Year	Collection Method	Charge Amount
2013-14	HRM general fund	\$0 (funded through surplus)
2014-15	Halifax Water bill	\$39/HW client
2015-16	Halifax Water bill	\$41/HW client
2016-17	HRM flat area rate	\$42/HRM tax account
2017-18	Halifax Water bill	\$39/HW client
2018-19 to present	Halifax Water bill	\$40/HW client

Current Funding Method

Stormwater ROW charge is collected (on HRM's behalf) by Halifax Water on all properties that pay HW's site-generated stormwater fee.

Currently, \$40/year; estimated to increase to \$51 next year (depending on a number of outstanding factors).

Pros

- No change required; administration is well managed

Cons

- Doesn't reflect who benefits from HRM roads.
- Many HRM residents who use HRM roads do not pay Stormwater ROW charge.

Option 1 – General Rate

Fund Stormwater ROW costs from general rate.

Rate estimated to be 0.9 cent on the 2023/24 tax bill or \$25 per average home. Higher costs to larger apartments and commercial properties. All property owners will pay, including 30,000+ outside municipal stormwater service area.

Pros

- Aligns with HRM tax structure – road costs are general rated. Shares costs among all those who benefit from HRM roads. Not a separate charge to draw attention.

Cons

- Will show up as tax increase in 2023/24, even though net cost impact across the region is \$0.

Option 2 – Area Rate

Fund Stormwater ROW costs through an area rate across the municipal stormwater service area.

Rate estimated to be 1.1 cent on the 2023/24 tax bill or \$30 per average home. Higher costs to larger apartments and commercial properties. Would include those (approx. 11,500) not currently paying the site-generated stormwater charge.

Pros

- Includes all property owners within the municipal stormwater service area.

Cons

- Doesn't reflect who benefits from HRM roads.
- Many HRM residents who use HRM roads would not pay the rate.
- Will create a very visible area rate on the tax bill, prompting questions.

Decision Matrix (from a benefits perspective)

If your conclusion is:	If your conclusion is:
<ul style="list-style-type: none">✓ The Stormwater ROW cost is an on-going operating cost of HRM roads.✓ HRM roads provide benefit to those living or working across the Halifax region.	<ul style="list-style-type: none">✓ Stormwater services provided by Halifax Water are a local service which principally benefits local property owners.
Recommendation would be:	Recommendation would be:
<ul style="list-style-type: none">➤ Fund the Stormwater ROW cost through the general tax rate.	<ul style="list-style-type: none">➤ Fund the Stormwater ROW cost:<ul style="list-style-type: none">- on the Halifax Water bill <u>or</u>- by a local area rate over the service area

Recommendation (deferred from March 1, 2022)

- It is recommended that Halifax Regional Council maintain By-Law C-900 and direct the Chief Administrative Officer to maintain By-Law C-900 and the current HRM stormwater right-of-way charge of \$40 per Halifax Water stormwater client, collected on behalf of HRM on the Halifax Water bill.
- *Note: The \$40 charge is in place for 2022/23. If the current funding approach remains in place, the 2023/24 annual per property charge will be updated to provide the required Halifax Water payment, as decided by the NS Utility and Review Board.*