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**Item No. 15.1.8**  
**Halifax Regional Council**  
**December 12, 2023**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed

**SUBMITTED BY:**

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Cathie O'Toole, Chief Administrative Officer

**DATE:** November 22, 2023

**SUBJECT** **Regional Subdivision By-law Amendments - Security Options and Inspection Fees**

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**ORIGIN**

Staff.

**LEGISLATIVE AUTHORITY**

*Halifax Regional Municipality Charter (HRM Charter) - Part IX "Subdivision"*

*Administrative Order 2023-002-ADM (AO-2023-002) - Respecting Public Participation for Planning Documents, Certain Planning Applications, and Engagement with Abutting Municipalities*

**RECOMMENDATION**

It is recommended that Regional Council direct the Chief Administrative Officer to:

1. Initiate a process to consider amendments to the Regional Subdivision By-law to add development bonds as a security option for subdivisions with new infrastructure and revise how inspection fees are collected for the installation of primary and secondary services associated with subdivision; and
2. Adopt the public participation program as outlined in the Community Engagement section of this report.

## **BACKGROUND**

### **Development Bonds**

Marsh Canada Limited, an insurance broker, in discussion with Clayton Developments Limited, has approached staff, requesting consideration of development bonds as a form of security, in addition to the current acceptance of letters of credit, in order to guarantee the installation of municipal infrastructure through the subdivision process.

### **Inspection Fees**

Council recently approved an amendment to Administrative Order 15 Respecting License, Permit and Processing Fees (Admin Order 15) to include a standard engineering fee of \$150 per inspection of new infrastructure associated with subdivision proposals. The amendment to Admin Order 15 became effective on September 2, 2023. A corresponding amendment to the Regional Subdivision By-law is required in order to enable the collection of inspection fees as they are conducted and charged in accordance with Admin Order 15.

## **DISCUSSION**

### **Development Bonds**

The Regional Subdivision By-law (the By-law) currently allows the Development Officer to accept security, for the purpose of guaranteeing the construction of municipal infrastructure, to be submitted in the form of letters of credit, cash, certified cheque, or bank draft. The development bond has been described by industry as a practical alternative to a letter of credit. The development bond can be structured to suit the needs of the Municipality as a pay-on-demand security which differs from construction bonds which are default instruments. Some key benefits include the financial assurance to a Municipality that a developer will successfully complete all obligations and the bond may be reduced, and ultimately released, when the infrastructure is accepted.

A development bond provides the Municipality with the same financial assurance as a letter of credit and provides the developer with the benefit of improved liquidity to potentially fund other developments. Many other Canadian cities have begun the practice of accepting development bonds to secure development, notably the City of Calgary and the City of Hamilton.

It should also be noted that the *Halifax Regional Municipal Charter* includes bonds as an option to secure infrastructure through the subdivision process. The intent is to include bonds, as acceptable to the Municipality in consultation with Finance, as an additional form of security for this purpose.

### **Inspection Fees**

The Regional Subdivision By-law currently requires applicants of subdivisions with new infrastructure to pay inspection fees equal to 0.5% of the total cost of primary and secondary services to be installed. This amount is required to be paid prior to a pre-construction meeting to commence construction of the new streets and services. Upon acceptance of the Municipal infrastructure and completion of the warranty period, the unused inspections fees are returned.

It is proposed that the By-law be amended to require inspection fees to be paid upon inspection as set out in Admin Order 15. Required inspections will be requested and paid through the infrastructure permit in the online Permitting, Planning, Licensing and Compliance system. Collecting fees in this manner would reduce the administrative burden of holding, drawing, and returning funds associated with inspection fees. This will reduce red tape and improve customer service.

## **COMMUNITY ENGAGEMENT**

Administrative Order 2023-002-ADM (AO-2023-002), Respecting Public Participation for Planning Documents, Certain Planning Applications, and Engagement with Abutting Municipalities came into effect on October 13, 2023. It is proposed that AO-2023-002 and the associated guidebook should not be followed as the proposed amendment, although encompassing the region, will only impact a limited number of stakeholders and not the general public. It is proposed that Council adopt the public participation program as outlined in this section.

Providing additional flexibility relative to acceptance of security and altering the process for acceptance of inspection fees impacts land developers in HRM. HRM has held preliminary discussions with industry regarding the inclusion of development bonds as security. Many of the major developers and consultants in HRM have been involved in discussions about proposed changes to the inspection fee process. Discussions on both items have been positive and there is support for the inclusion of development bonds and changes to the inspection fee process from industry.

Given the broad geography involved and the previous engagement on the matter with industry, the proposed level of community engagement would be consultation through the Development Liaison Group (DLG), and information sharing and invitation for feedback through the HRM website.

In addition to this public participation, the HRM Charter requires a public hearing to be held before Regional Council can consider approval of any amendments.

## **FINANCIAL IMPLICATIONS**

The HRM costs associated with processing this amendment can be accommodated within the approved 2023-2024 operating budget for Planning and Development.

## **RISK CONSIDERATION**

There are no significant risks associated with the recommendations contained within this report.

## **ENVIRONMENTAL IMPLICATIONS**

No environmental implications are identified at this time.

## **ALTERNATIVES**

1. Regional Council may choose to initiate the consideration of amendments that would differ from those outlined in this report. This would require a supplementary report from staff.
2. Regional Council may choose not to initiate the Regional Subdivision By-law amendment process. A decision of Council not to initiate a process to consider amending the Regional Subdivision By-law is not appealable to the NS Utility and Review Board as per Section 262 of the *HRM Charter*.

A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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