



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 15.1.2
Halifax Regional Council
August 20, 2024
September 10, 2024

TO: Mayor Savage and Members of Halifax Regional Council

FROM: Cathie O'Toole, Chief Administrative Officer

DATE: July 2, 2024

SUBJECT: **Proposed By-Law (S-454), an Amendment to By-Law S-400 Respecting Charges for Street Improvements**

ORIGIN

An amending By-Law is required to recover Local Improvement Charges (LICs) for the paving of HRM owned gravel roads pursuant to By-Law S-400.

EXECUTIVE SUMMARY

This report recommends the adoption of By-Law S-454 to amend By-Law S-400, the Street Improvement By-Law, specifically to facilitate the recovery of Local Improvement Charges (LICs) for the paving of Lakehill Drive in Gaetz Brook. LICs in the amount of \$6,500.43 will be imposed as lot charges on 19 properties.

RECOMMENDATION

It is recommended that Halifax Regional Council adopt By-Law S-454, amending By-Law S-400, *the Street Improvement By-Law*, as set out in Attachment 1 of this report.

BACKGROUND

By-law S-400, the Street Improvement By-law, deals with the recovery of costs where Council undertakes a project such as paving gravel roads. Administered under this By-law are two separate types of gravel roads: Halifax Regional Municipality (HRM) owned and provincially owned "J" class (Referred to as the Aid to Municipality Program).

On September 22, 2020, Regional Council adopted By-law S-449, an amendment to By-law S-400, whereby surveys of the property owners are no longer required. Pursuant to this amendment HRM will continue to select the provincial "J" class gravel roads to be paved each year. The province is responsible for 50% of the construction cost, the property owners are responsible to pay 33.33% of the cost, and the Municipality will fund the remaining 16.67% of costs.

DISCUSSION

Local Improvement Charges (LIC) apply for gravel road paving as per By-law S-400. Regional Council approved the paving of Lakehill Drive as the 2023 Aid to Municipality Program. The LIC is determined by the LIC rate outlined in attached By-law S-454, which is based on one-third of the total project cost.

The proposed By-law S-454 will impose an LIC on 19 properties on Lakehill Drive. The table below sets out the calculation for the 2023 Aid to Municipalities LIC based on a per-lot charge.

Note that pursuant to Administrative Order 32, a public hearing is not required on the enactment or amendment of a by-law unless specifically directed by Council.

Administrative Order 15 Respecting License, Permit and Processing Fees, provides an engineering fee to be charged to property owners equal to 5% of the property owner's share of total construction costs.

In 2005, Regional Council approved a staff recommendation that interest be charged on bridge financing provided from HRM internal cash resources for Capital Projects that are for the benefit of a specific identifiable group or area, and are either partially or fully funded by LIC's, including those levied as an area rate. The rationale is that while HRM funds are tied up in the costs of these projects, it is not available for other purposes nor to earn interest for the benefit of HRM taxpayers in general. Including a bridge financing fee in relevant local improvement charges intends to remedy this. The interest rate applied is the actual, or where necessary the projected rate of return earned by HRM under the Investment Policy. During the bridging periods for the projects in this report, the annualized interest rate ranged from 0.4445% to 0.4544%.

LIC Calculations for the 2023 Aid to Municipalities Cost Sharing Program

Description	Lots	Amount
Lakehill Drive, Total Cost of Paving	19	\$ 337,825.02
33.33% Recovery Amount		\$ 112,597.08
Net HST (4.286%)		\$ 4,825.91
Total LIC Recovery		\$ 117,422.99
Cost per Lot		\$ 6,180.16
Engineering Fee	5%	\$ 5,871.15
Engineering Fee Per Lot		\$ 309.01
Total LIC plus engineering fee		\$ 309.01
Bridge Finance		\$ 213.93
Bridge Finance cost per lot		\$ 11.26
Cost per foot Total		\$ 6,500.43

FINANCIAL IMPLICATIONS

Upon Council's approval of Amending By-law S-454, Local Improvement Charges for Lakehill Drive will be levied to the relevant property owners. By ensuring that the charges reflect the actual cost of the project, the revenue collected will offset the cost of the project so that there is no net budget impact in the relevant fiscal year.

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this Report. The risks that were evaluated are rated low. To reach this conclusion, consideration was given to financial, legal, compliance and service delivery risks.

COMMUNITY ENGAGEMENT

In June 2023 property owners of Lakehill Drive were advised of the paving project based on the estimated cost of \$5,030.84 per lot.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Halifax Regional Council could:

1. Refuse to adopt Amending By-law S-454, however, this is not recommended as full cost recovery would not be achieved resulting in net budget implications;
2. Adopt Amending By-law S-454 subject to modifications. This may require a supplementary staff report.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, SNS 2008, c 39:

73 The Municipality may enter into and carry out agreements (a) for highway construction, improvement and maintenance and other purposes pursuant to the Public Highways Act;

104(1) The Council may make by-laws imposing, fixing and providing methods of enforcing payment of charges for... (f) laying out, opening, constructing, repairing, improving and maintaining streets, curbs, sidewalks, gutters, bridges, culverts and retaining walls, whether the cost is incurred by the Municipality directly or by, or pursuant to, an agreement with His Majesty in right of the Province, the Minister of Public Works or any person;...

By-law S-400, the Street Improvement By-law

ATTACHMENTS

Attachment 1: Amending By-Law S-454

Attachment 2: Letters to Residents

Attachment 3: Consolidated Billing and Cost Sheets

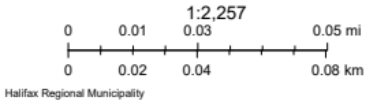
Report Prepared by: Chantel Hamer, Tax Resource Supervisor, Finance & Asset Management, (902)478-9299

PLAN SHOWING PROPERTIES FOR LIC FOR PAVING OF LAKEHILL DRIVE BY-LAW S-454



7/10/2024, 10:35:54 AM

- Community Boundaries
- Parcel



June 20, 2023

Dear Property Owner:

Re: Paving – Lakehill Drive – Gaetz Brook

The Aid-to-Municipality Program is an agreement between the Province of Nova Scotia and other Nova Scotia municipalities (including HRM) to upgrade provincially owned and maintained gravel roads to asphalt. The program is cost-shared between the Province, the Municipality, and the residents, with the Province paying 50% of the actual total construction costs, and the Municipality and the residents covering 16.67% and 33.33%, respectively. The residents' portion is recovered through HRM's S-400 – Street Improvement Bylaw by levying a Local Improvement Charge to the abutting properties on the street that is proposed to be paved. The Province is responsible to design, tender and provide contract administration and inspection during construction while HRM's role is to identify the streets to be paved each year and to facilitate the Local Improvement Charge (LIC) process pursuant to S-400 – Street Improvement Bylaw.

HRM submitted Lakehill Drive to the Province of Nova Scotia and received notice from the Province on March 27th, 2023 confirming that this street has been approved for paving under the 2023/24 Aid to Municipality Cost Sharing Program. The **estimated** rate for the paving of Lakehill Drive is \$5,030.84 per property abutting on the aforementioned street. This estimated rate is subject to change, and the final rate will be calculated when the actual cost of the project has been determined (at the end of construction). The actual LIC rate will then be presented to Regional Council for their approval prior to the billing process. The billing process generally begins within 12 months after the completion of the construction phase. As a note, if your property has been assessed for paving on a previous project, you will be exempt from the LIC for the paving of Lakehill Drive.

Final billings for all Local Improvement projects are **payable over a 10-year period**, with the first installment due 30 days after the billing date. Installments are due on the anniversary date of the original billing. Billings may also be paid in full at any time if the abutter so desires. The interest is set at a rate equal to the prime rate of the Municipality's banker plus two percentage points on the date that notification of the local improvement project is issued. The Municipality has programs available to assist customers, including the ability to set up a payment plan where customers pay smaller monthly amounts instead of a larger annual lump sum. As well, customers whose annual

household income is under a certain threshold may be eligible to defer the local improvement charges. To set-up a monthly payment plan or to discuss the deferral program please contact 311 or contactus@311.halifax.ca

Please contact the HRM Call Center number (311) if you have any questions regarding the local improvement charge process. For construction related questions, please call the provincial Department of Public Works at 1-844-696-7737 or by email at tir-occ@novascotia.ca.

Respectfully,

Halifax Regional Municipality

cc Councillor David Hendsbee, District 2
Jerry Blackwood, CPA, CGA, Executive Director, CFO
Renee Towns, CPA, CGA, CTP, Director of Revenue
Edmund Surette, PhD, P.Eng. Acting Director, Project Planning & Asset Management
Brad Anguish, P.Eng., MBA, CD, Executive Director, Chief Engineer, Traffic Authority
Audra Tracey, Construction Coordinator
Training & Development Lead - Citizen Contact Centre (311)
Client Relationship & Process Lead - Citizen Contact Centre (311)
Laura Cunningham, Capital Program Administration Officer

Halifax Regional Municipality
Local Improvement Billing

ATTACHMENT 3

Project Name: Lakehill Drive
2023 Aid to Municipalities Program
By-Law S453

Invoice#
Start Date : 2023
Invoice Date :

	MAILING ADDRESS	ADDRESS						LIC per Lot	Engineering Fee	Bridge Finance	Total LIC's	Comments
		CIVIC	LOT #	STREET	ST. TYPE	AAAN #	PID #					
	1 LAKE HILL DR, GAETZ BROOK NS CA B0J 2L0	1		Lakehill	Dr	08722331	40654287	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000113549
	20 LAKE HILL DR, GAETZ BROOK NS CA B0J 2L0	20		Lakehill	Dr	02998041	40195190	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000152249
	2131 GOTTINGEN ST, HALIFAX NS CA B3K 5Z7	26		Lakehill	Dr	03682102	40195083	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000013502
	29 LAKE HILL DR, GAETZ BROOK NS CA B0J 2L0	29		Lakehill	Dr	03275043	40195216	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000205641
	33 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	33		Lakehill	Dr	04908864	40195232	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000089381
	39 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	39		Lakehill	Dr	03447278	40195158	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000233975
	45 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	45		Lakehill	Dr	04079612	40195091	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000292881
	51 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	51		Lakehill	Dr	01302086	40195489	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000163514
	54 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	54		Lakehill	Dr	01413465	40195554	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000182110
	55 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	55		Lakehill	Dr	01302094	40195539	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000163517
	57 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	57		Lakehill	Dr	03446034	00612382	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000051074
	60 LAKEHILL DR, HEAD OF CHEZZETCOOK NS CA B0J 2L0	60		Lakehill	Dr	00369578	40195208	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000053997
	64 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	64		Lakehill	Dr	03655555	40195125	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000319647
	65 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	65		Lakehill	Dr	00498394	40195513	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000068318
	70 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	70		Lakehill	Dr	00350559	40195547	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000051959
	2131 GOTTINGEN ST, HALIFAX NS CA B3K 5Z7	71		Lakehill	Dr	06334903	40461394	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000013502
	80 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	80		Lakehill	Dr	06334865	40461428	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000265917
	86 LAKE HILL DR, GAETZ BROOK NS CA B0J 2L0	86		Lakehill	Dr	06334873	40461410	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000265930
	93 LAKEHILL DR, GAETZ BROOK NS CA B0J 2L0	93		Lakehill	Dr	06334881	40461402	\$ 6,180.16	\$ 309.01	\$ 11.26	\$ 6,500.43	1000265931