

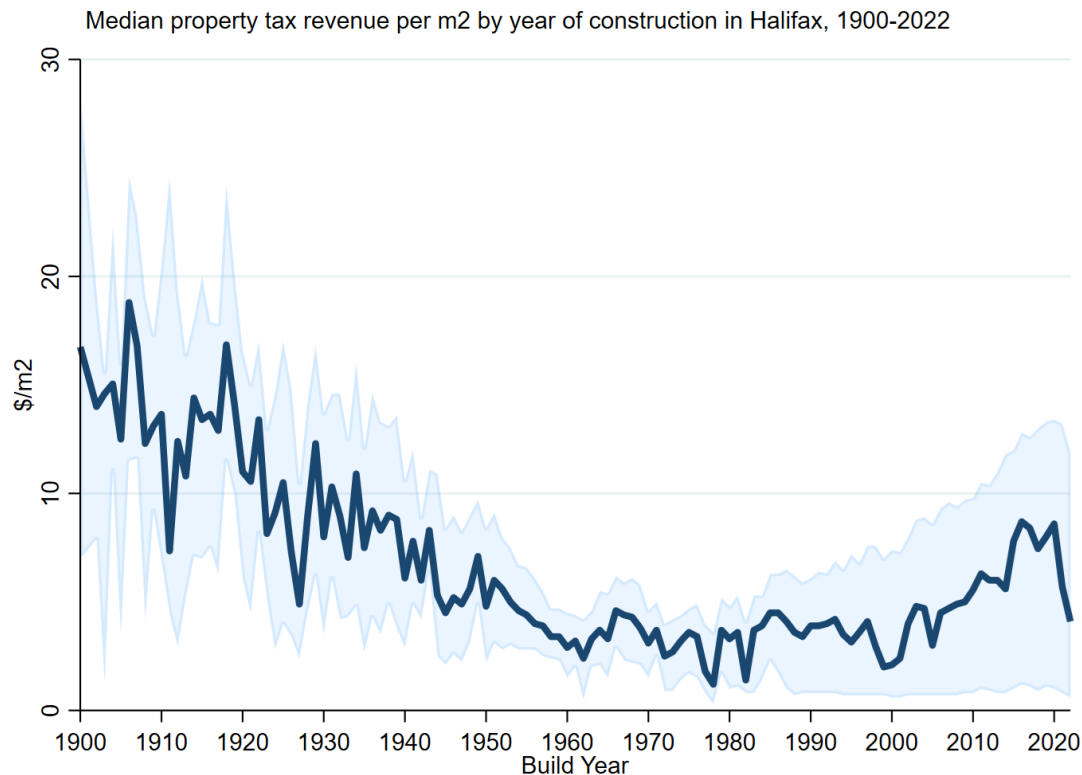
Reconciling the city's fiscal reality with the staff report process

The fiscal implications of the fiscal implications

Halifax's unsustainability

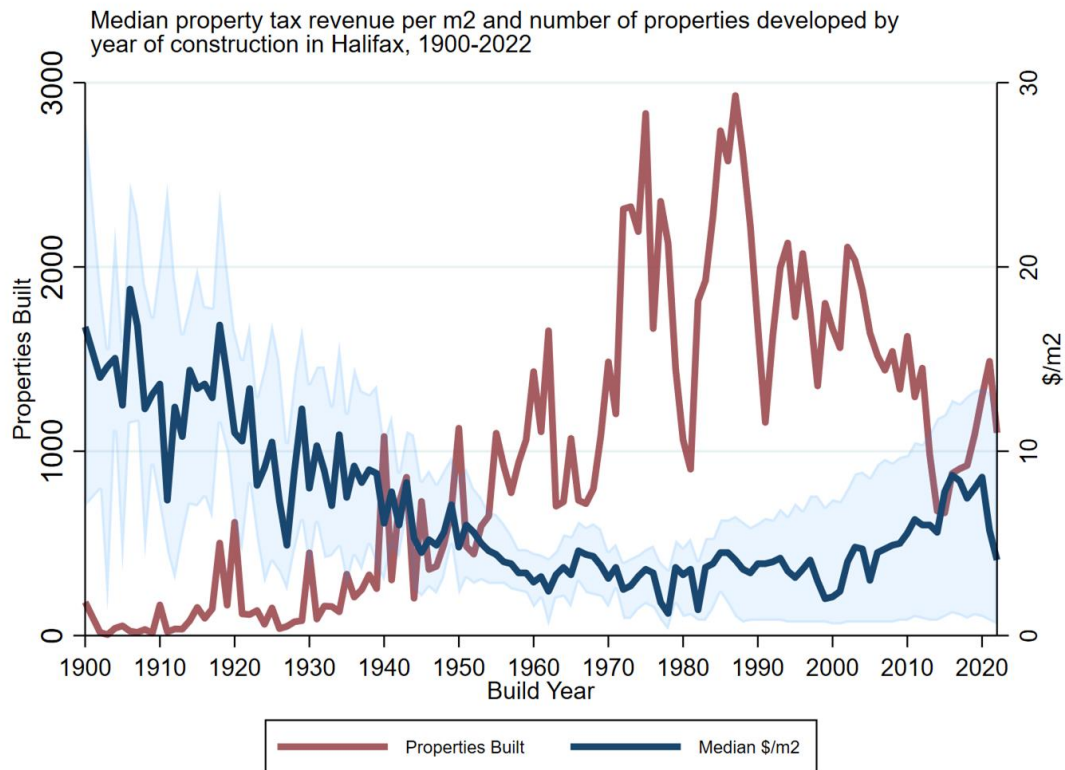
- How bad is it?
- How did we get here?
- How do we fix it?

Halifax's unsustainability is pretty bad



Source: Halifax Open Data, Property Valuation Services. Analysis By HFX By Bike

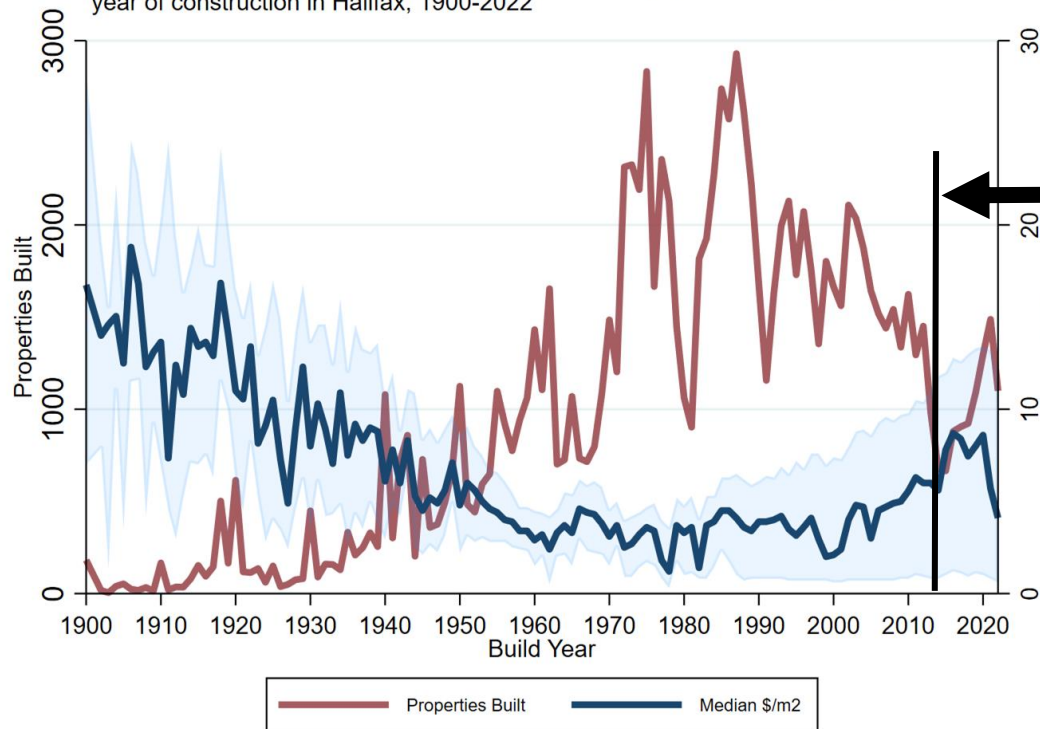
Halifax's sustainability is pretty bad



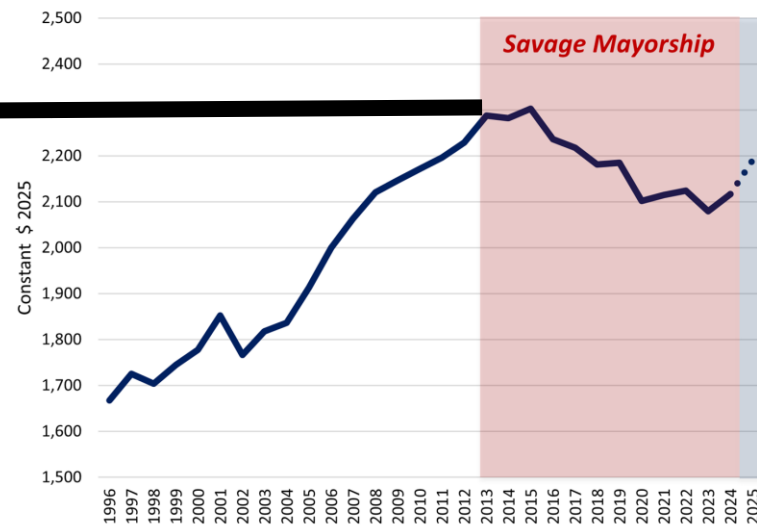
Source: Halifax Open Data, Property Valuation Services. Analysis By HFX By Bike

Halifax's sustainability: the past 10 years

Median property tax revenue per m2 and number of properties developed by year of construction in Halifax, 1900-2022



Halifax per Capita Spending (Constant \$ 2025)



Source: Halifax Open Data, Property Valuation Services. Analysis By HFX By Bike

Halifax's unsustainability

- How bad is it?

We've needed more services as we spent 50 years building out massively inefficient revenue generating properties to maximize expenses and minimize income. Then for the past 12 years we've deliberately underspent to lower the tax burden. We now have \$2bn in needed capital infrastructure with no obvious way to pay for it. We rely on an unfair tax system which is now less fair and less effective as a revenue generator due to things like the property tax cap and bad land use choices enabled/allowed/encouraged by council(s) past.

- How did we get here?

- How do we fix it?

How *did* we get here?

“I think Councillor Purdy said, you know, I'm not calling that out, but ‘staff always pulls a rabbit out of the hat or does something.’ That's not a way that we should be doing budgets, is like at the end, going into reserves, going into one time funding. Like we are running out of options”

CFO Jerry Blackwood, 2025 budget debates.

“I'm worried about that 9.5% budget increase that our CAO warned us about for or 9.5% for next year with our scarce dollars. When, when are we going to start to have that discussion? Maybe it's not today, but when is it? If not now, when?”

Councillor Janet Steele, Aug 5, 2025 Council meeting.

“According to the report, there's going to be no financial implications to the taxpayers, just basically that was all in there for the budgeting approval process of 2025 and 26”

Councillor Billy Gillis, Monday August 11, 2025, North West Community Council meeting.

What magic development has no financial implications for the taxpayer!?

HALIFAX

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

Item No. 14.1.1
North West Community Council
August 11, 2025

TO: Chair and Members of North West Community Council

FROM: Jacqueline Hamilton, Executive Director of Planning and Development

DATE: June 29, 2025

SUBJECT: **PLANAPP 2023-00812: Development Agreement for 1491 Sackville Drive, Middle Sackville**

ORIGIN

Application by ZZAP Consulting Inc.

EXECUTIVE SUMMARY

This report recommends approval of a development agreement to permit the development of a multi-unit residential building and a commercial building on the lands at 1491 Sackville Drive, Middle Sackville. The proposed development consists of a six-storey residential building with a maximum of 124 units and a three-storey commercial building, both sharing a single access from Sackville Drive. Policies UR-8, UR-20 and IM-13 of the Sackville Municipal Planning Strategy allow the consideration of this proposal by development agreement. Staff recommend that North West Community Council approve the proposed development agreement.

FINANCIAL IMPLICATIONS

The applicant will be responsible for all costs, expenses, liabilities and obligations imposed under or incurred to satisfy the terms of this proposed development agreement. The administration of the proposed development agreement can be carried out within the approved 2025-2026 operating budget for Planning and Development.

Is it that possible councillors keep trying to pull rabbits out of hats because they believe that land use has zero financial implications for the city?

Is it possible staff reports encourage magical thinking and actively discourage debate around fiscal sustainability?

Are we absolutely sure about that no fiscal implications beyond the annual budget considerations thing?

HALIFAX PO Box 1745
Regional Municipality Halifax, Nova Scotia
B3H3A5 Canada

Halifax Regional Council
January 21, 2004

To: Mayor Kelly and Members of Regional Council

Submitted by: George McEllan, Chief Administrative Officer

Date: January 16, 2003

Subject: Request to Minister of Municipal Affairs: Provincial Statement of Interest Regarding Infrastructure

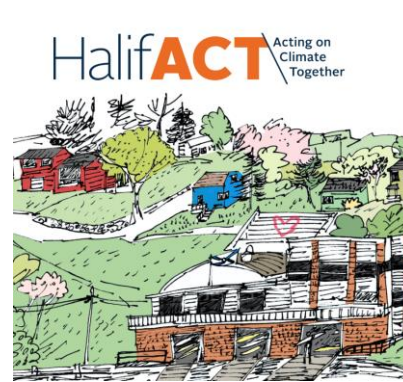
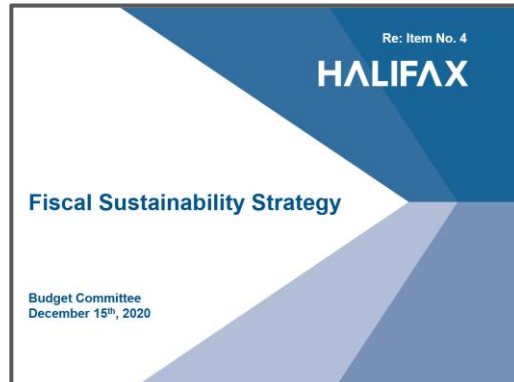
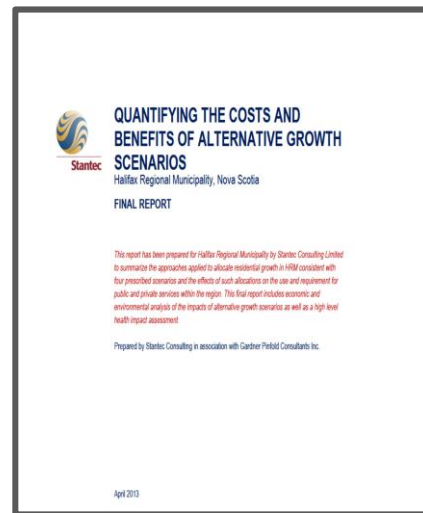
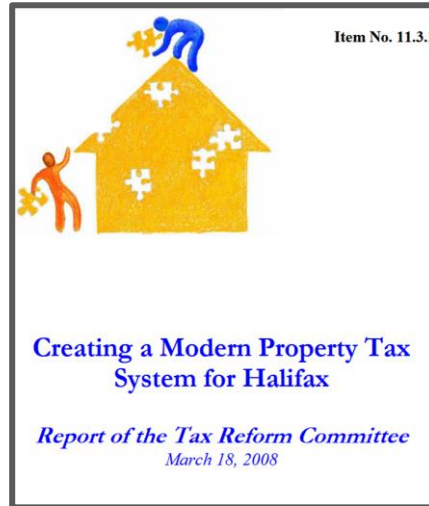
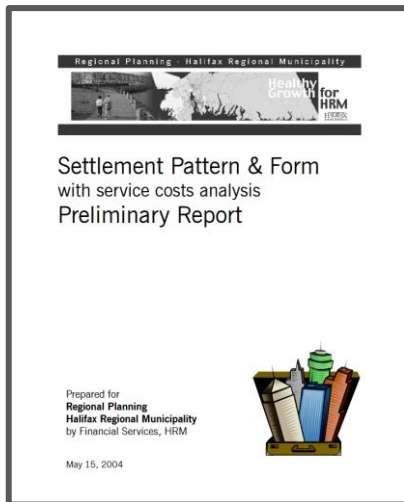
ORIGIN:
This report originates from Regional Planning Staff and the Provincial Statement of Interest regarding infrastructure (see Appendix C).

RECOMMENDATION:
It is recommended that Halifax Regional Council Request that:

The Minister of Service Nova Scotia and Municipal Affairs, in keeping with the Statement of Provincial Interest Regarding Infrastructure (Municipal Government Act, issue a Ministerial Order to establish an interim planning area for land within that part of IRM4 indicated in Map 1 for a period of 24 months or until amended or repealed. During the currency of the Ministerial Order, within the interim planning area, only one development permit per year allowing any new development containing a residential component shall be issued for each area of land in existence on the date of the Ministerial Order. Where such development is located on an area of land created after the date of the Ministerial Order, the new area of land shall have coverage on an existing approved private or public street. An area of land is exempt from this Order if prior to the date of the Order:

- a development agreement has been approved by Council; or
- a completed application for Final Approval of subdivision has been received; or
- a subdivision agreement has been executed with respect to the construction and acceptance of any service system; or
- Tentative Approval has been granted for subdivisions that involve private roads that are under construction as of the date of the Order.

-4-




Bad reports suggest magic money is possible




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

Attachment 4 Committee of the Whole October 22, 2013

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original signed by 
Richard Butts, Chief Administrative Officer

Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: October 15, 2013

SUBJECT: Area Rate Framework

ORIGIN

Regional Council, January 29, 2013:

MOVED by Councillor Whitman, seconded by Councillor Hendsbee, that staff provide a report in regard to reviewing and make recommendations to amend the taxation zone designations to reflect any changes in municipal services levels and taking into consideration the water and sewer boundaries in, particular, District 13 and other jurisdictions throughout HRM.

MOVED by Councillor Hendsbee, seconded by Councillor Dalrymple, that Halifax Regional Municipality explore the option of absorbing into the General Base Tax Rate existing and future areas rates that are assessed for the purposes of charging local contributions towards capital construction of local community facilities and public infrastructure projects.

FINANCIAL IMPLICATIONS

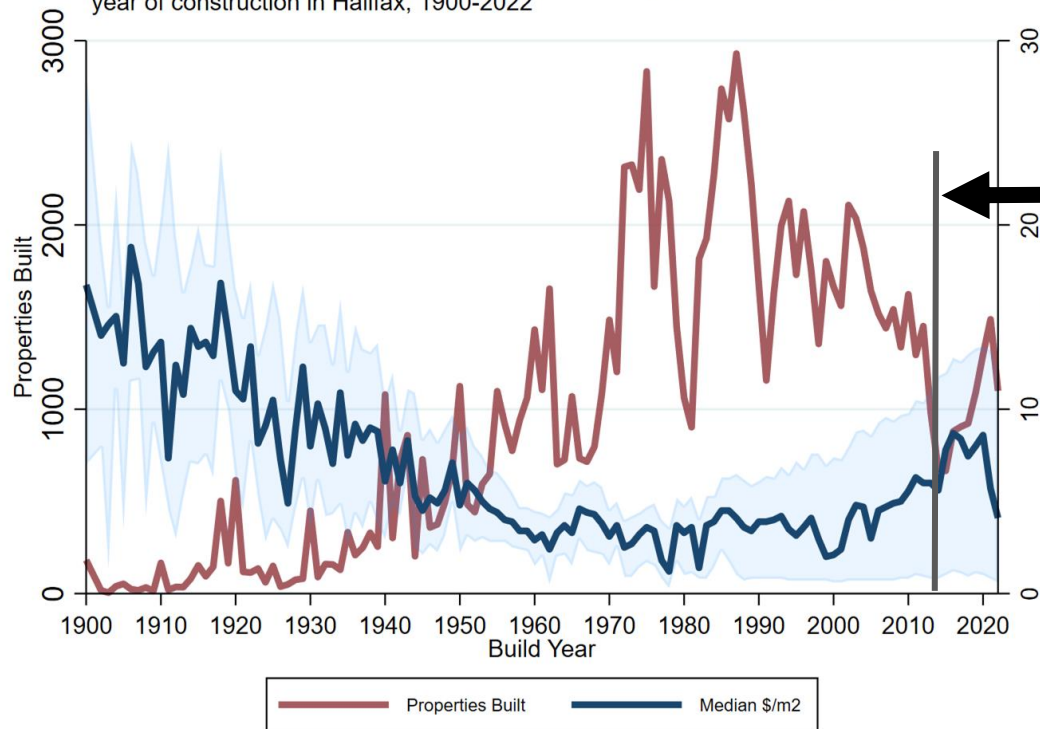
The Framework for Area Rates will not directly affect the size or the scope of the overall HRM budget and finances.

Depending on how Council interprets and applies the Framework, it may lead to greater or less emphasis on certain taxes or revenue sources. This means that some taxpayers may pay more than they otherwise would, while other taxpayers would pay less. Any implementation would likely start in the 2014-2015 fiscal year.

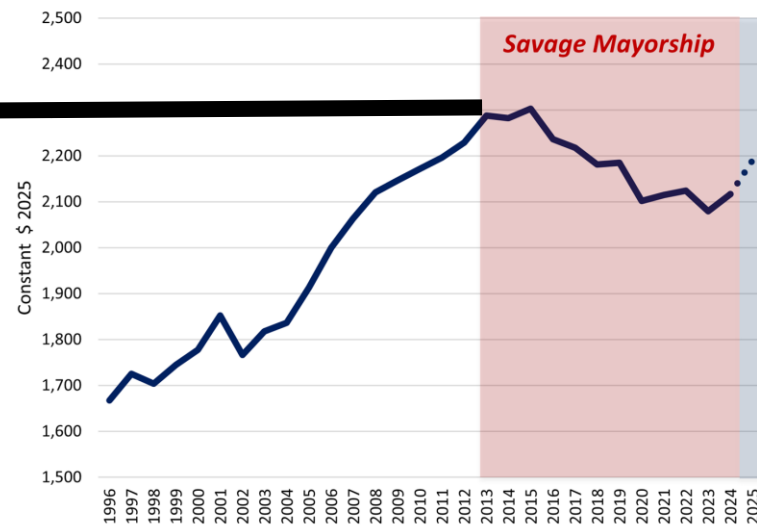
I will bet you a 9.5% tax increase next year that dropping the use of area rates and throwing more things into the general rate did, in fact, had a massive direct affect on the size and scope of the overall budget and finances.

Halifax's sustainability: the past 10 years

Median property tax revenue per m2 and number of properties developed by year of construction in Halifax, 1900-2022



Halifax per Capita Spending (Constant \$ 2025)



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Halifax's unsustainability

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- How did we get here?

Over reliance on an inadequate and inequitable revenue source. Consistently making political decisions to continue or exacerbate the over reliance and associated negative outcomes. People hate the outcomes, but support the political decision to exacerbate or over rely on property taxes.

- How do we fix it?

Can better reports fix our fiscal woes?

HALIFAX

P.O. Box 1749
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B3J 3A5 Canada

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FINANCIAL IMPLICATIONS

The applicant will be responsible for all costs, expenses, liabilities and obligations imposed under or incurred to satisfy the terms of this proposed development agreement. The administration of the proposed development agreement can be carried out within the approved 2025-2026 operating budget for Planning and Development.

Additionally, two decades of municipal research suggest that car dependent single family home developments negatively impact the city. Even though this development is car dependent and will likely increase the city's maintenance and congestion burdens, due to density this development is expected to increase the sustainability of the district by increasing municipal revenues and increasing the efficiency of municipal service delivery. Additionally the affordable housing units are expected to both increase affordability in the HRM for those who have the affordable apartments and putting downward pressure on rent prices throughout the HRM.

Can better reports fix our fiscal woes?




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Halifax, Nova Scotia
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Attachment 4

Committee of the Whole
October 22, 2013

TO: Mayor Savage and Members of Halifax Regional Council

Original signed by 

SUBMITTED BY:

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

DATE: October 15, 2013

SUBJECT: Area Rate Framework

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FINANCIAL IMPLICATIONS

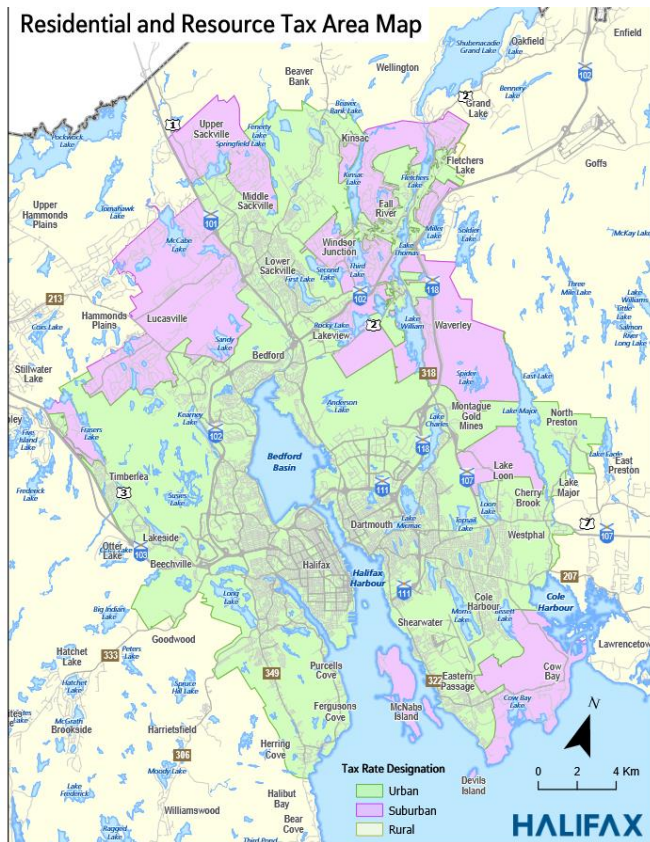
The Framework for Area Rates will not directly affect the size or the scope of the overall HRM budget and finances.

Depending on how Council interprets and applies the Framework, it may lead to greater or less emphasis on certain taxes or revenue sources. This means that some taxpayers may pay more than they otherwise would, while other taxpayers would pay less. Any implementation would likely start in the 2014-2015 fiscal year.

For example, if council keeps moving things onto the general rate, like the Canada Games Centre, then the general rate will need to increase to cover the increased reliance on the general rate. This will increase the inequity in Halifax, as the tax reform committee report highlights property taxes are based on assessed value, not incomes. Over reliance on property taxes, and the inequity of the property tax system often results in intense political pressure to keep the property tax low. If council does this there is risk of taking on debt for the next decade resulting in a spike in property taxes in 2026 of at least 9.5% just to “keep the lights on” even as the municipality falls behind on needed maintenances for facilities like the Canada Games Centre which used to have dedicated funding.

It may also be worth noting that even though council moved the Canada Games Centre to the general rate due to it's utility to the city as a whole, in a city the side of the province of PEI, even if a facility is important to the HRM as a whole it is a tad unfair to charge residents of Sheet Harbour, a two hour drive away with no transit, for a community facility they are unlikely to use.

Can better maps fix our financial woes?



Pros: We use it currently

Cons: Somewhat arbitrarily drawn. Dated assumptions. It is the map that designates the tax rate, yet it has no relationship to the municipal expenses or needed revenues or services delivered to the area.

The tax boundary between the Rural areas and the Urban/Suburban areas was based on the

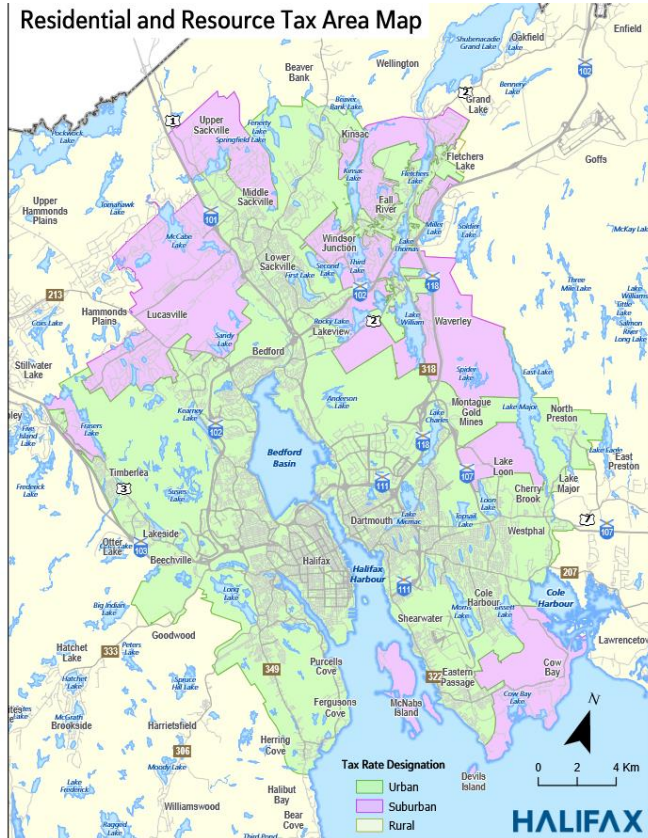
Area Rate Framework
Committee of the Whole Report

- 4 -

October 22, 2013

Provincial Department of Transportation Paving Boundary, as used in the 1995 Service Exchange. (Inside that boundary HRM is responsible for local roads). That rural tax boundary has not been changed since 1997 even though new developments have occurred across HRM, including in the boundary area. In addition, the Province has transferred additional local streets to HRM, meaning the municipality is now taking care of local streets in parts of "rural" HRM.

Can better maps fix our financial woes?



← This map determines revenues

These maps determine expenses →

Chat, is it good for your finances when your income has no relation to your expenses?

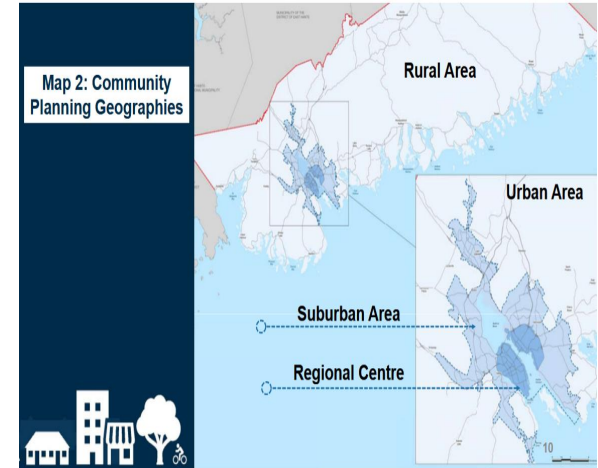


Figure 1.1 Designated Urban, Suburban and Rural Areas in HRM



Source: HRM, Regional Municipal Planning Strategy

Can better maps fix our financial woes?

Just kidding there is a relationship.
The suburban area costs more
and pays less.

BOOKS

THE SUBURBS HAVE BECOME A PONZI SCHEME

A new book looks at how white families depleted the resources
of the suburbs and left more recent Black and Latino residents
“holding the bag.”

By Alex Kotlowitz

Grist

The American suburbs are a giant Ponzi scheme

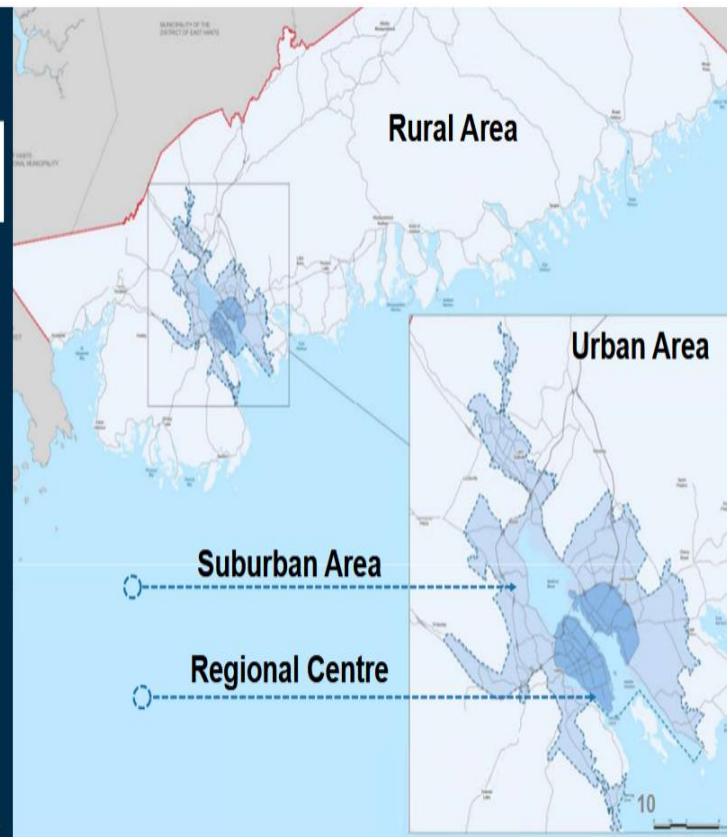
Our current pattern of autocratic development does not create real wealth. It creates the illusion of wealth.
Today we are in the process of seeing that illusion destroyed, and with it the prosperity we have come to
take for granted.

The suburbs are a Ponzi scheme

Examining the roots of Halifax Regional Municipality's upcoming budget crisis.

By Matt Stickland

Map 2: Community Planning Geographies



Community area rates/Sinking funds

Used by other cities like Winnipeg and Halifax less than a decade ago. Dedicated funding from people who use the infrastructure. Ideal for things of limited HRM wide benefit. The Wanderer's Block (topical!) is a city wide benefit. Canada Games Centre is debatably an HRM wide benefit, should maybe have an area rate/sinking fund. Local roads, with a design guideline of a maximum of 1500 cars a day, are not an HRM wide benefit and should not be paid out of the general rate, should be an area rate/sinking fund.

Main benefit: Taxation tied to specific service delivery is more equitable and predictable.

Main drawback: We've been riding property tax dependency so hard initial changes to area rates, while still also relying heavily on property taxes, may spike inequity in the short term.

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- How did we get here?

Over reliance on an inadequate and inequitable revenue source. Consistently making political decisions to continue or exacerbate the over reliance and associated negative outcomes. People hate the outcomes, but support the political decision to exacerbate or over rely on property taxes.

- How do we fix it?

Better staff reports, better taxation boundaries, dedicated funding sources tied to services to reduce the reliance on the general rate.