

Re: Item No. 11.1.5

HALIFAX

Conveyance of Road Responsibilities from NSTAT to HRM

Halifax Regional Council - July 20, 2021

2021-07-20

Origin

- November 2019 – NSTIR (now NSTAT) Minister provided HRM notice of the Province’s intent to transfer ~300 lane kms of roads to HRM in accordance with the provisions of Agreement HRM-01.
- The transfer was proposed to take effect on April 1, 2021.
- Regional Council passed a motion requesting the Mayor to formally request the proposed road transfer be deferred until at least June 1, 2022.
- September 2020 the Minister of NSTIR indicated agreement to defer the proposed road transfer until June 1, 2022.

Background

- 1995 – Province announced it would no longer own or maintain *local streets* in rural municipalities and roads would be transferred to respective municipalities by April 1, 1996.
- Municipality and Province negotiated an operational arrangement – instead of transferring all *local streets* within the former Halifax County to HRM, Province would continue to own and maintain all *local streets* outside urban core area, in exchange for HRM owning and providing maintenance to certain *arterial and collector roads* inside urban core.

Background

- June 1996 – HRM and the Province entered into Agreement HRM-01 (“HRM-01”).
 - Provided that parties would review the urban core boundary area every 3 years and, provincially owned roads would be transferred to HRM, expanding the urban core boundary as population density increased.
 - Requires density to be at least 90 dwelling units per square kilometer and lie within 10 kilometers of the Urban Core as defined in the Agreement (and modified through successive transfers).
 - Agreement did not speak to whether any additional compensation would be provided to HRM when such roads were transferred.

Background

- November 2019 letter proposed four areas where roads should be transferred to HRM.
- A review by HRM staff indicated that only Areas 1 and 4 meet or exceed the density thresholds described in HRM-01.
- Area 1 includes roads within: Boutiliers Point, Ingramport, Head of St Margarets Bay, Lewis Lake, Hubley and Upper Tantallon.
- Area 4 includes roads within: East Preston, Lake Echo, Mineville, and Lawrencetown.
- Area 2 (Beaver Bank, Kinsac) and Area 3 (Wellington, Grand Lake, Oakfield, and Enfield) were highlighted by Province as potential *options* for HRM to consider.
- Staff continues to recommend road transfers in Areas 2 and 3 not be accepted from the Province for financial reasons until the density thresholds described in HRM-01 have been met.

Scope of Proposed Road Conveyance

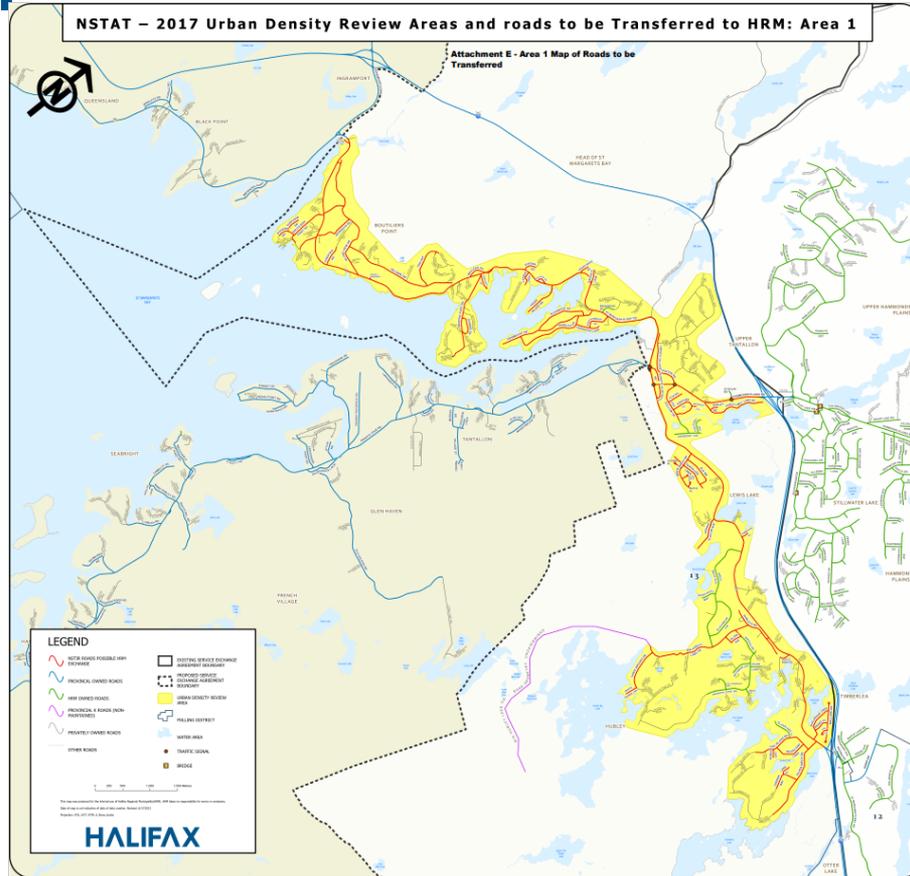
- Arterial Roads – 85 lane km.
- Local Roads – 191 lane km.
- Class “K” Roads – 23 lane km (unmaintained).
- Class “Z” Roads – 1 lane km (private, winter maintenance only).
- Culverts – 136 and drainage easements (plus driveway culverts).
- Bridges – 19.
- Sidewalk – 463 m in Tantallon (already in HRM snow contract).
- Four Traffic Signals.
- Other assets such as retaining walls, guard rails, light standards, signs. Quantities to be determined.
- Staff is not recommending pursuit of unlisted-unmaintained or delisted road corridors.

- Lane kms identified above represent an increase in roadway inventory of approximately 8 per cent and an increase in bridge inventory of approximately 20 per cent.

Scope of Proposed Road Conveyance

- Based upon assets, Transportation and Public Works will be the service provider for the properly conveyed road right-of-way assets except for the stormwater assets.
- Municipal staff is recommending that Halifax Water to provide stormwater services for the roads transferred in Areas 1 and 4 and to a small portion of District 1, on behalf of HRM.
- Halifax Water's provision of stormwater services on behalf of the Municipality is enabled by the 2007 Transfer Agreement between HRM and HW.

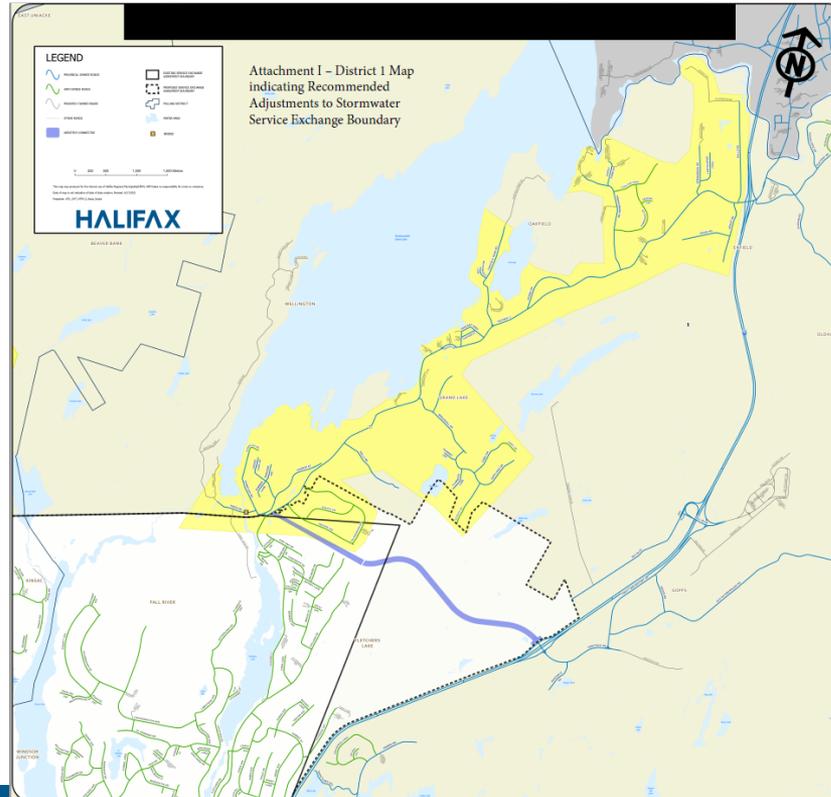
Area 1 Map of Roads to be Transferred



Stormwater Services – District 1

- Halifax Water to take over the provision of stormwater services in District 1. The effect of this change to the service boundary means:
 - Halifax Water will provide stormwater servicing to the full extent of the boundary along with appropriate cost recovery;
 - Discrepancy of maintenance standards will be resolved through a single service provider; and,
 - Future development in the area will occur within a known boundary, known service provider and known costs.

District 1 Map – Recommended Stormwater Service Exchange Boundary Adjustments



Key Terms for Updated Agreement

Key terms to be addressed in an edited and updated HRM-01 (Attachment H):

- Clear Termination and/or Renewal and Amendment Provisions;
- Clear Process for Legal Conveyance;
- Clear Process for Resolution of Title Issues;
- Clear Process for Maintenance and Repair Obligations;
- Dispute Resolution Mechanism;
- Clear Description and Standards for Property to be Transferred;
- Adherence to Existing Legislation;
- Ancillary Services and Other Transferred Property; and,
- Activation and Timelines for Transfers.

Funding of Service

- Total financial impact to residential and non-residential stormwater customers in Areas 1 and 4 and District 1:
 - Up to \$38 per year on average annual property tax bill (consistent with all HRM ratepayers);
 - Annual charge of \$40 relating to the HRM Stormwater ROW Charge recovered through HW bills; and,
 - Annual HW Site-Related Stormwater Charge recovered through HW bills, could range from \$14 to \$81/year.
 - Rates are subject to change upon HW's application to NSUARB.

Stormwater Charge Background

- 1997 – HRM begins recovering wastewater and stormwater costs from HW customers;
- 2006 - HRM accepted a transfer of roads from the Province;
- 2006 – Council directs staff to find way to adequately fund wastewater/stormwater services;
- 2007 – HW assumes responsibility for all wastewater/stormwater assets within service boundary, NSUARB directs development of a fairer, cost of service based system for stormwater;
- 2013 – HW introduces separate stormwater charges based upon impervious surface area. HRM commences collection of its road related stormwater charges on HW bill;
- 2016 – HRM recovers its stormwater charge on tax bill; and,
- 2017 – HRM reverts to collecting stormwater charge on HW bill.

Financial Implications

- 2021/22 operating budget for both Halifax Water and HRM includes sufficient funding for activities to support preparations for the road conveyance in 2022.
- Future TPW funding requirements:
 - Preliminary estimated operating and capital impacts totaling up to \$11 million annually – will be brought forward for Regional Council’s consideration as part of the 2022/23 business planning process and operating and capital budget deliberations.
- 2022/23 operating and capital budgets of Halifax Water will require approval by the Halifax Water Board.
 - Condition of the stormwater assets and the costs to provide service and maintain assets may result in the need for rate adjustments, subject to the NSUARB approvals.
 - New Halifax Water stormwater-only customers would receive their first invoice for stormwater services January to April 2023.

Early-Stage Communications Alignment

Halifax Regional Municipality:

- Regular web page updates;
- Q&A to be shared with Councillors and 311;
- Media relations support as required;
- Engaging Diversity & Inclusion for special considerations; and,
- Mail out to impacted residents.

Halifax Water (HW):

- HW board of commissioners briefing;
- Regular web page updates;
- Q&A to be shared with HW Customer Care and HW board members;
- Media relations support as required;
- Interactive map;
- Public information sessions;
- Direct communication to impacted residents (pamphlets, handouts, mail out);
- Customer education videos; and,
- The mobile unit for community engagement used in "high traffic" locations in the new service areas.

Note: further phased communications planning will be subject to Regional Council deliberation and NSUARB approval.

Next Steps

- Prepare formal request to HW to provide stormwater services within boundaries, after which HW will commence approval steps with NSUARB;
- Undertake joint communications plan with HW and Province;
- Meet with staff from HW and NSTAT to negotiate changes to the terms and conditions of HRM-01 using the Key Terms; and
- Report back to Regional Council if any concerns arise.