

# HRM BY Design – A House of Cards

## Introduction

Much of the rationalization for the HRM by Design program stems from two erroneous perceptions:

- ✍ that citizen involvement in the planning approval process has seriously curtailed development in Downtown Halifax, creating a shortage of new construction and driving away potential developers.
- ✍ That there is a huge pent up demand for new office space downtown that must be addressed immediately (and therefore the public must be eliminated from the process)

As a result, HRM by Design, if passed, will greatly reduce participation by both the public and HRM Council in the process of development approvals and substitute the development officer and a powerful HRM-appointed Design Review Committee.

## Synopsis

As can be seen from the following documents, there is no justification for the perception that citizens and citizens' groups have had a negative effect on downtown development. And no justification for planning for 3 million square feet of new office space downtown.

- ✍ The Heseltine Report puts paid to the idea that developers in Halifax are hard done by because of excessive use of the UARB appeal process.
- ✍ The two HRM staff reports show that delays in planning application times (now remedied) were the result of problems in staffing and with the applications submitted by developers, not because of citizen interference.
- ✍ The Turner Drake and Partners Ltd. press release and report note that there is no justification for the development community's claims that there is an urgent need for huge new developments in the downtown.

## Heseltine Report –September 17, 2007

*“What’s Appealing, A Brief Comparison of Planning Appeals Across Canada”*,  
Presented to the Atlantic Planners Institute by John Heseltine , MCIP

Notes from the Report:

- ✍ “Most jurisdictions allow any person to appeal a planning decision....The most strict limits are imposed by Nova Scotia, New Brunswick and Newfoundland and Labrador, all of which require that the appellant be “aggrieved”....”

- ✍ “Based on the average number of appeals in the period 2002 through 2006, the province with the most appeals, by far was Ontario with an average of 2025 appeals per year”. “Nova Scotia had the least with just 12 annually.”
- ✍ On a per capita basis, Quebec had...an average of one appeal for every 4,100 citizens...” By comparison Ontario had one appeal; for every 6,300. Although it was second, Ontario’s ratio is not much different from New Brunswick, PEI, and Newfoundland and Labrador. Nova Scotia by contrast had one appeal for every 79,000 residents or roughly one-tenth as many.”
- ✍ “A further more precise measure is the number of appeals in relation to development activity in each jurisdiction. Over the 2002 through 2006 period [the author] determined the number of appeals per \$1,000 of building permit value each year.” “,,,Newfoundland and Labrador has the most appeals with one appeal for roughly \$8 million in permit value. Ontario and Quebec followed closely with one appeal per \$11.5 million and \$12.7 million, respectively. Alberta and Nova Scotia had the least appeals...at one per \$99 million [in permit value in Nova Scotia].”
- ✍ “The overall impression is that while some NSUARB decision have been considered to trample on municipal authority – particularly the 2005 decision to revoke the approval of a development agreement for a 20-story tower on the site of the Midtown Tavern in downtown Halifax - the Board has actually stepped rather lightly. The author also looked at the distribution of appeals geographically and found, surprisingly, that roughly twice as many were filed in relation to building activity in more rural areas of the province.”

## **Staff Report – February 12, 2008**

### **Staff Report --December 01, 2008 (Follow up to February 2008 report)**

A staff report issued February 12, 2008 noted that staff was taking the following steps to reduce planning application processing times.

- ✍ Hiring five additional professional planners
- ✍ Hired on-site supervisors to facilitate decision making, particularly with complex cases
- ✍ Established a pre-application process to educate applicants on information requirements
- ✍ Initiated a series of in-house staff development training sessions
- ✍ Initiated ongoing discussions with development industry representatives

As evidenced in the December 01, 2008 staff report (see below) measures taken to improve the planning application times, both internally and with the development community, resulted in a marked improvement in application approval times. The reduction in public involvement in the planning approval process, as outlined in HRM by Design, is not necessary.

## HRM Processing times – New Applications (September 1, 2007 – August 31, 2008)

Type of Application	HRM Planning targets (Months)	Avg. # of Months	+/- target
MPS AMENDMENTS	10	6	+ 4 months
DEVELOPMENT AGREEMENTS	8	5	+ 3 months
REZONINGS	6	5	+ 1 month
ZONE AMENDMENTS	6	5	+ 1 month
SITE SPECIFIC MPS AMENDMENTS & DEVELOPMENT AGREEMENTS	11	13	- 2 months

This staff report also noted that as of December 01, 2008 there “are approved projects with a combined value of between \$1.5 and \$2 billion which have not been built. These projects include Tex Park, Brewery Market, the Trillium, King’s Wharf and many other smaller projects”. The problem would appear to be with the developers not the approval process.

## **Turner Drake and Partners Ltd.– press release undated (Summer 2008) “REAL OFFICE VACANCY RATE 36% in HRM CBD?”**

- ✍ “The vacancy rate for office space in Halifax’s Central Business District dropped to 3.2% in June [2008], the lowest level in over 3 decades. Despite this optimistic figure, talk of a construction boom is premature. That is the surprising conclusion for the latest of five rental surveys recently completed by Halifax real estate consultants Turner Drake and Partners Ltd. The surveys are thought to be the most comprehensive ever conducted in HRM: a team of trained researchers collected rental, operating expense and vacancy data for 282 buildings, some as small as 10,000 square feet with an aggregate rentable area of over 17 million square feet.”
- ✍ “Current demand in the CBD is driven largely by the low rental rate.” The fond belief that companies will pay the large premium for a CBD location no longer holds true. ‘The large increase in rents necessary to justify new construction, combined with today’s slowing economy could trigger an exodus to the suburbs where Class A rental rates are lower’...”

## **Turner Drake & Partners Ltd. Report-- 5 November 2008**

This report, commissioned by HRM was “intended to ...determine whether the HRM by Design Plan appropriately provides for sufficient capacity to accommodate anticipated demand during the next 25 years...”

HRM by Design proposes the building of approximately 3 million square feet of new downtown office space over the next 15 years. The Turner Drake report found that this number was wildly exaggerated.

### **Conclusions from the report:**

#### **✍ Office Space Requirements**

“There is no evidence to support the assertion that there is a large pent-up demand for office space (a figure of 2.0 million sq. ft has been quoted in the media). Although vacancy rates are at a historic low, so are office rents. Nor have we been able to locate much evidence of the substantial out of province demand so widely quoted by Nova Scotia Business Inc. (NSBI). Based on our conversations with property owners, developers, and brokers active in Downtown Halifax, and information provided by NSBI, we calculated that such demand is probably in the region of 50,000 sq’.”

#### **✍ Heritage Buildings**

“In our opinion, a key driver of demand for all types of space in Downtown Halifax is its unique character...which in turn is defined in large part by the heritage buildings and their relationship to the harbour. The environment thus created is Downtown Halifax’s major competitive advantage which, once destroyed will never be reincarnated.”

#### **✍ Increased Height Limits**

“The HRMbyDesign plan will arbitrarily redistribute property values in Downtown Halifax severely penalizing some property owners and retarding redevelopment, whilst benefiting others.”

HRM by Design, responding to the erroneous idea that increased height/capacity will be needed downtown, is proposing greatly increased height limits on nearly all buildings in the area, including 120 heritage buildings, a move that will increase the development appeal of these properties, threatening the very heritage qualities that Turner Drake deems Downtown Halifax’s “competitive advantage”.

Prepared by Beverly Miller for the Peninsula South Community Association,  
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