



HALIFAX CHAMBER OF COMMERCE: MUNICIPAL ISSUE NOTE - 2014

October 1, 2014

Presented To: Mayor Mike Savage and Councilors of the City of Halifax

Who We Are

The Halifax Chamber of Commerce is a best-practice, business advocacy organization that continuously strives to make Halifax an even more attractive city in which to live, work, and play. Together, the approximately 1,500 member businesses and their over 90,000 employees, act as a single powerful voice to promote local business interests. The volunteer Board of Directors, and Chamber staff, undertake initiatives on behalf of the Chamber's diverse membership.

With origins dating back to 1750, we are recognized as the first Chamber established in North America. The Halifax Chamber is certified to the ISO 9001:2000 international quality standard, the first and only Chamber in North America to receive this accreditation.

The Halifax Chamber of Commerce offers over 100 events annually, countless numbers of opportunities for exposure through member services, advertising, and sponsorship. It also issues Certificates of Origin for those businesses that export internationally.

2013-2018 STRATEGIC PLAN – ASPIRATIONAL SENTENCE AND GOALS

The Halifax Chamber of Commerce is committed to enhancing the prosperity of its members and to realizing Halifax's potential to be among the top 3 highest growth city economies in Canada by 2018.

1. To create a positive business environment to be reflected by being among the top 3 highest growth city economies in Canada by 2018.
2. To increase the skilled workforce by 20% from 2012 to 2018.
3. To accelerate prosperity of Chamber members by providing first class networking events, benefit programs, advocacy to governments, education, information and by making connections.

As part of the 2013-2018 Strategic Plan, the Halifax Chamber of Commerce created two Task Forces to provide input on the Plan's implementation. The members of the Task Forces are a diverse group of individuals with significant expertise on key policy issues.

Building a Better Halifax

CREATE A POSITIVE BUSINESS ENVIRONMENT

Reduce the Tax Burden

Halifax's high commercial tax rates continue to be a major concern for our members. Specifically, they find it unfair that they are overtaxed for the services they receive compared to residential taxpayers.¹ A December 19, 2012 city staff presentation to Halifax's Audit and Finance Committee estimated that businesses in the city pay almost 150% of the cost of their municipal services, while residents pay only 85%. Not only is this overtaxation unfair, it has serious negative economic effects. Harry Kitchen and Enid Slack's April 2014 study, entitled 'Municipal Property Taxation in Nova Scotia', noted that commercial over-taxation results in "less economic activity, lower output, fewer jobs and a less competitive business environment".² To help improve Halifax's business climate we will continue to look for the city to reduce average commercial tax bills.

As well, we are expecting Council to be fiscally responsible, which means holding spending increases to a reasonable level, and making objective decisions about what infrastructure projects are 'needs' and what are just 'wants'. The city's proposal to raise taxes and take on more debt to fund new infrastructure projects is not the right way to go. We fully support investing in infrastructure but that cannot come at the expense of fiscal responsibility. Public policy is all about choices and we are looking for our municipal leaders to prioritize what really matters.

Finally, in our pre-budget submission to Council earlier this year, we called on the city to do a thorough examination of the affordability and long-term sustainability of the city's pension plan. We still believe this is an urgent priority and will look for progress over the coming year. Many of our members find it unfair that a large part of the city's pension plan is funded by taxpayers, yet most of them do not have access to such generous plans themselves.

Champion Common Sense Regulations

When it comes to regulation, it too often feels like the city bureaucracy is working against our members rather than with them as they try to build their businesses. We are looking for the city to actively help businesses work through their issues and break down barriers. To build public support, the Chamber has released a 'YES' campaign to highlight the importance of an 'open for business' culture in Halifax.

Additionally, the long processing times for development approvals in Halifax have been a long-term concern for the Chamber and its members. According to research from the Greater Halifax Partnership's most recent Halifax Index:

“Data in last year’s Halifax Index showed a worsening trend in the city’s development approval timelines in the multi-unit residential, industrial, commercial, and institutional construction sector. Halifax’s planning approval timelines do not generally compare well with jurisdictions across the country and the city’s long average turnaround times generally miss policy targets. Updating policy to improve on these timelines would be a major step towards improving the city’s business climate.”³

These are not new problems and the time has come for a detailed analysis of where the roadblocks are and what needs to be done to fix them.

Help Build a Vibrant Downtown Core

While existing development approval times are disappointing, we are hopeful that the city’s new Regional Centre Plan will provide faster, simpler, and more consistent development rules for the Regional Centre. Not only will this provide predictability for developers, it will make it easier for more people to live closer to downtown and to reduce costs for the city. We were glad to see the city fill its vacant Chief Planner position recently and we hope that this will help the city to move forward on this important project.

The Chamber has been very supportive of Halifax Transit’s efforts to redesign the transit system. While the recent announcement of a scaled back plan is concerning we are still expecting Halifax Transit to release a bold, on-budget plan in the new year that maximizes transit’s effectiveness in Halifax.⁴

GROW AND NURTURE THE SKILLED WORKFORCE

Promote Immigration

In 2013, Nova Scotia’s population declined by 4,272 people. This is over four times as many people as New Brunswick, the next worst province, leaving us with a smaller population than we had in 2010.⁵ Simply put, we need more people to maintain our standard of living. While we must continue to work to convince our youth to stay and thrive here in Nova Scotia, the reality is that even if we succeed we will need much more immigration to fill the population gap. If nothing changes, the share of our population in the prime working ages of 18-64 will decline from 65.2% in 2011 to 55.1% in 2036, posing a serious threat to our future economic growth.⁶

With this situation in mind, we are very supportive of Mayor Savage’s proposal to allow permanent residents to vote in Halifax’s municipal elections. As a city, we need to make ourselves as welcoming as possible and allowing permanent residents to fully participate in our society is a great way to start. Even better, no other city in Canada has made such a change and moving quickly will allow Halifax to maximize the benefits of this initiative.

Beyond demographics, there is also the issue of equity. Permanent Residents have already chosen to make a long-term home here in Halifax, and they work and pay taxes like everyone else. It is only fair that they should have a say in choosing their municipal government. If passed by Regional Council, we hope to see this change approved quickly by the provincial legislature and in place by the next municipal election.

CELEBRATING SUCCESS

While there is much work to do to make Halifax even better, it is important to recognize and celebrate the Halifax's successes. For example, the Halifax's implementation of its new branding strategy was a welcome development. We have been supportive of this initiative for some time and believe that it will be a major asset when marketing Halifax to the world. As well, Council's approval of a roadmap to remove the Cogswell Interchange is an important part building a vibrant downtown core. This will be a long-term project but it was good to see the city get off to a good start. Finally, we were very pleased with the updated Regional Plan passed by Council earlier this year. We feel that it was a positive step forward for Halifax and are excited that it will allow Council to move forward on other important initiatives like the Regional Centre Plan.

CONCLUSION

Overall, we will be looking for Regional Council to address the following issues over the coming year:

- Reduce average commercial tax bills and continue to reduce the over-taxation of the commercial sector;
- Reduce the pension disparity between the public and private sector;
- Make concrete progress on reducing regulations and shortening development approval timelines;
- Move forward on Halifax Transit's system review and the Regional Centre Plan and;
- Allow permanent residents to vote in municipal elections.

References

¹http://www.halifax.ca/boardscom/SCfinance/documents/FiscalPolicy_RevenuesandTaxation_December19_Final.pdf (slide 29)

²http://munkschool.utoronto.ca/imfg/uploads/280/final_report_may_20_2014.pdf (page 65)

³<http://www.greaterhalifax.com/siteghp2/media/greaterhalifax/The%20Halifax%20Index%202014%20Web.pdf> (page 30)

⁴<http://www.halifax.ca/council/agendasc/documents/140108cow4.pdf> (page 7)

⁵<http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=0510001&paSer=&pattern=&stByVal=1&p1=1&p2=37&tabMode=dataTable&csid=>

⁶<http://www.scribd.com/doc/125124205/NS-Economics-101-OneNS-Discussion-Primer> (page 3-4)