



HALIFAX CHAMBER
OF COMMERCE

**ANNUAL UPDATE TO THE
MUNICIPAL GOVERNMENT**

August 2008

EXECUTIVE SUMMARY

The Halifax Chamber of Commerce is a best practice business advocacy organization that strives to make Halifax an even better place to live, work and play. It is the oldest Chamber in North America with roots dating to 1750 and was the first Chamber in North America to become ISO certified. The Chamber is an active voice for business at the federal, provincial and municipal level.

This note outlines key Chamber advocacy areas that are municipal in scope. Based on member surveys, the Board has identified three key priorities for the Chamber this year. These are:

- Transportation
- Supercharging our labour force;
- Education, skills and training;

In support of this, this paper outlines the Chamber’s current position on some of the key issues facing businesses and the municipality in 2008, in the areas of: transit, gateway, people, HRMbyDesign, the charter, tax reform and fiscal responsibility. All of the issues relate to the Chamber’s main concern – economic growth. According to Stats Can Monthly Labour Force Survey, the unemployment rate in Halifax in May was 5.5 percent¹, slightly lower than the national rate of 6.1 percent. We must remain diligent during the upcoming year to ensure we are doing all we can to maintain the health of our local economy.

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¹ <http://www.stmarys.ca/administration/career/documents/200805-Halifax.pdf>

TRANSPORTATION

METRO TRANSIT

WHY THIS ISSUE IS A FOCUS

- In the Chamber's Spring Issues Survey 2008, 34% of respondents choose transportation as the number one issue that the chamber should be involved in during the next few years.
- Lack of public transit in Halifax is a significant barrier for employers when attempting to attract employees and deciding where to locate their business.
- Nova Scotia's urban density diminished by 36% between 1971 and 1996 – 13% higher than the average Canadian city²
- The average level of provincial transit investment is \$19.87, while Nova Scotia spends \$3.79 per capita³.
- Based on the average per capita spending of other provinces, an annual investment of \$11 million to \$19 million in sustainable transportation would be appropriate in Nova Scotia.⁴

SUGGESTED ACTION FROM THE CITY

The city has taken significant steps forward in the last year towards improving transit, as evidenced by the Five-year Transit Plan; however, more needs to be done.

- Continue to lobby the province - the province should immediately invest a percentage of funding that would, at least, bring it within the funding levels of other provinces and territories. HRM needs to push hard for this to happen.
- As stated in the Regional Plan, "...the approach is to shape settlement in such a way that transit and other alternatives to commuting will be more viable". The city must ensure that this smart approach to urban design occurs sooner rather than later, in order to prevent urban sprawl, which is not only expensive for Transit, but for all city services.
- The city should dedicate a percentage of the annual budget to active transportation and make implementation of the Active Transportation Plan a top priority. In this year's budget, no funding was dedicated to bike paths.
- Ensure that the new bus service garage is completed on schedule, as without it, new service expansion will not be possible.
- Communicate with the Bridge Commission to ensure any proposed project meet the needs of Metro Transit.

² GPI Atlantic. 2006. *The GPI Accounts: Sustainable Transportation in Nova Scotia*

³ Canadian Urban Transit Association. (2006). *Federal, Provincial and territorial Funding for Transit: A Compendium*.

⁴ Estimates based on multiplying per capita provincial transit funding amounts by Nova Scotia's 2007 population: 935,106. Nova Scotia's population estimate from Statistics Canada: <http://www.statcan.ca/Daily/English/080327/d080327d.htm>

GATEWAY - PORT, RAIL AND AIR

WHY THIS ISSUE IS A FOCUS

If we are to take full advantage of the opportunities presented by emerging markets, our transportation links must be second to none. The excellent natural situation of Canada's west coast ports has been enhanced by recent support of and investment in the Pacific Gateway. Trade via east coast ports and airports, with their many natural and geographic advantages, could likewise be enhanced with support and investment.

Truly, Canada's transportation gateways represent economic opportunities not just for those areas that house them, but also for those parts of the country to which these gateways link. Efficient gateways with sufficient capacity not only make Canada a more attractive and competitive place to do business: they also encourage increased trade and foreign direct investment.

SUGGESTED ACTION FROM THE CITY

- Work with the Airport Authority to establish Transit service to the airport.
- The province must actively and intensely promote the east coast gateway, but the municipality also has an important role to play as well.
 - Continue to align HRM strategies with those of the Atlantic Gateway initiative
 - Allocate necessary funding and human resources to Gateway initiatives
 - That HRM provide an update report as to how HRM strategies are aligning in order to support the priority areas listed in the January 22, 2008 report to Council submitted by CAO Dan English titled "Atlantic Gateway – The Role of Halifax Regional Municipality", by year end. The priority areas listed in the report were: development of an Air Cargo Facility, development of the Home Port Cruise Strategy, multi-transportation corridor to Halifax's Ocean Terminal, Gateway Logistics Park (adjacent to Burnside) and the Burnside Connector.

SUPERCHARGE OUR LABOUR FORCE

PEOPLE FACTOR

WHY THIS ISSUE IS A FOCUS

In 2008, Nova Scotia had its fastest first quarter population increase since 1991, mainly as a result of the largest net interprovincial migration gains for a first quarter since 1984.⁵As Halifax's population data for 2008 becomes available, we may find that much of this population gain happened here in the city. According to 2006 census, Halifax's population grew by 3.8% to 372,679.

However, now is not the time to relax our efforts to secure a healthy population. According to Elizabeth Beale of APEC, an aging workforce, low birth and immigration rates will create an even tighter labour market in Atlantic Canada (including its major cities) over the next decade, than we are experiencing now. The city must do what it can not only to attract people, but also to keep them here, especially those who are educated, trained and have an entrepreneurial spirit.

SUGGESTED ACTION FROM THE CITY

- Develop an annual Community Satisfaction Survey – Chamber staff have been informed that a measure of community satisfaction will be available from HRM for the Annual Scorecard - Report on the Economic Strategy 2009
- Improve efforts towards HRM brand recognition
- Increase pressure on the province to focus on immigration attraction and retention, as Halifax's population increases will become more dependent on international immigration levels in the future⁶
- Focus council priorities on areas that make the city an attractive place to live. According to the Economist Magazine's rating of the world's most livable cities, Vancouver was number one and Toronto was number five.⁷ Factors which make a city "livable" include many factors that are within the municipalities' range of responsibilities, including low crime rates, little threat from instability or terrorism, and a highly developed transport and communications infrastructure. The survey considered 40 individual factors in categories such as stability, health care, culture, environment, education and infrastructure.

⁵ <http://www.statcan.ca/Daily/English/080625/d080625b.htm>

⁶ http://www.halifax.ca/regionalplanning/publications/documents/HRMProjections_001.pdf

⁷ <http://www.cbc.ca/canada/british-columbia/story/2007/08/23/bc-vancouver.html>

HRMbyDESIGN & THE CHARTER

WHY THIS ISSUE IS A FOCUS

What will keep people here in Halifax? According to APEC, a boost in major project activity, more employment in the service sector and a diverse urban economy are among the top eight factors that will keep people here in Nova Scotia.⁸ The factors are contingent upon development in our city going forward. That is why the Chamber has been strongly supporting HRMbyDesign since its inception. Once the province passes the necessary legislation in the fall, it will be up to the city to ensure that implementation of the plan's recommended development approval process is efficiently followed through.

The Chamber supports the city's efforts for its own charter. The Charter will allow for improved administration of city affairs on a number of levels, will clarify the powers of HRM and eliminate the need to seek provincial authority for administrative amendments.

SUGGESTED ACTION FROM THE CITY

- Set targets for development permit processing times that are at least better than benchmark cities in the Economic Scorecard. Chamber staff is working with HRM in order to obtain this information for the 2009 Economic Scorecard. The city has previously stated in reports that they have a 30% reduction target - this is not nearly aggressive enough. Processing time for development agreements is currently 8 months. A 30% reduction in time still means that the processing time is more than 5 months long. That is a far cry from the 60 days proposed in the Downtown Vision. The Chamber urges Council to do what needs to be done, in order to streamline the approval process throughout HRM. At a minimum, we should strive to be better than our benchmark cities.
- Investigate incentives for the private sector to comply with HRMbyDesign for budget 2009-2010.
- Lobby for the provincial government to pass Bill 181 HRMbyDesign. The Chamber plans to show its support by making a presentation to the Law Amendments Committee during the fall session.
- Lobby for the provincial government to pass Bill 179, Halifax Regional Municipality Charter.

⁸ <http://www.apec-econ.ca/pubs/%7B6E2B587C-8900-4541-AF5E-95C164A62F5D%7D.pdf>

TAX REFORM

WHY THIS ISSUE IS A FOCUS

The Chamber has been supportive of commercial tax reform for some time. According to page 16 of the Tax Reform Committee's report "Creating a Modern Property Tax System for Halifax: Report of the Tax Reform Committee, March 18 2008", "*The amount paid by the commercial sector towards the Regional Tax Rate has been adjusted up to ensure that the commercial sector as a whole does not pay less than it does now.*" However, the next paragraph states "*The (tax reform) committee believes that the relationship between residential and commercial tax rates is critical and needs much closer scrutiny.*"

Ultimately, what the business community wants from tax reform is greater transparency between taxes paid and services received. Of course, businesses also don't want to pay more taxes, as suggested in the report referenced above. Businesses in HRM are under increasing pressures on a number of levels; rising fuel costs being a major one. Now especially, is not the time to raise municipal tax rates – to do so would have a direct, negative impact on our local economy.

SUGGESTED ACTION FROM THE CITY

- Increase the public profile of the tax reform project
- Find new and innovative ways to access input from the commercial sector concerning tax reform, such as focus groups, as open houses are not an effective format, as evidenced by low turnouts at the May events
 - Continue to work with the Province to push for access to various tax revenue tools
- Develop a clear and concise commercial tax rate benchmark and communicate it
- Publish the commercial tax rates in the budget documents in the same format as the residential
 - Improve 2008 Scorecard result on the measure of Competitive Tax Rates
 - Continue to move towards "benefits based" taxation system, that is currently being proposed by the Tax Reform Committee
 - Implement broad-based tax cuts to the commercial rate, as opposed to sector specific rate cuts, such as a small business rate

FISCAL RESPONSIBILITY - DEBT REPAYMENT AND MUNICIPAL EXPENSES

WHY THIS ISSUE IS A FOCUS

We all recognize that Halifax must invest in new infrastructure now in order to maintain our competitive position as one of the best cities in which to live and to do business. At the same time, it is vitally important that HRM maintain focus on the multi-year financial strategy (MYFS), which has proven to produce results, such as repayment of \$80 million dollars worth of debt since 1998, 80% of the annual capital budget which is now funded from operating revenues with only 20% from debt and a Standard and Poor's Rating of A/Positive.⁹ However, HRM debt per capita remains high when compared to other comparable cities and is limited in its financial capacity.

According to HRM staff, revision of the Debt Policy in June was necessary in order to invest in much needed infrastructure; however, we urge Council not to lose sight of the importance of paying down the city's debt, as the city is half way to being where it needs to be financially in order to make the plans outlined in the Regional Plan, a reality. The Chamber also looks forward to the publication of the city's infrastructure and asset status report this fall.

SUGGESTED ACTION FROM THE CITY

- Continue to stress the importance of the MYFS, aligning with current fiscal realities
- Maintain focus on Council approved Municipal priorities
- Consider reversing the changes approved to the debt policy in June 24th report, once the infrastructure deficit is resolved
- Aim to improve Standard and Poor's rating and the city's financial capacity to at least the point of comparable cities
- Aim to bring HRM's existing net debt (on a per dwelling unit, per capita basis or using debt service costs as a % of total operating expenditures) to the point where the city can achieve the MYFS objective of financial flexibility
- Formalize a thorough, annual review of programs and services. This review should be available to the public before the annual budget review process.
- Stress the importance of educating the new incoming council concerning the MYFS and the city's financial position

⁹ Report to HRM Council June 24 2008 – Debt Policy

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CHAMBER ADVOCACY WORK

More information about the Chamber and its advocacy work can be accessed by contacting the office or visiting the Chamber web site at www.halifaxchamber.com

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