



# HALIFAX CHAMBER OF COMMERCE: MUNICIPAL ISSUE NOTE - 2015

September 22, 2015

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

Copied To:

- Richard Butts, Chief Administrative Officer
- Amanda Whitewood, Chief Financial Officer
- The Hon. Zach Churchill, Minister of Municipal Affairs

## 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 STATEMENT 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.

#### Task Forces

- Create a Positive Business Environment – Darren Nantes (Chair), Nantes Group Ltd.
  - Tax Subcommittee – Paul Bent (Chair), Grant Thornton
  - Downtown Core Subcommittee – Robert MacPherson (Chair), RMP Development Consulting Ltd.
- Grow and Nurture the Skilled Workforce – Mark Fraser (Chair), T4G

## Recommendations

### **Reduce the Tax Burden**

- Keep municipal expenditures and tax rates under control to avoid a repeat of the last budget's surprise tax increase.
- Negotiate collective agreements that are affordable and will not lead to higher taxes in the future.
- Avoid commercial tax reform options that favor one type of business over others.

### **Champion Common Sense Regulations**

- Reduce the municipal regulatory burden and collaborate with other levels of government wherever possible.
- Recommit to publicly measuring and reporting on development approval timelines.

### **Help Build a Vibrant Downtown Core**

- Approve Halifax Transit's Moving Forward Together Plan.
- Maintain the city's progress on the Regional Centre Plan project and avoid unnecessary delays.

### **Promote Immigration**

- Help make Halifax an even more welcoming city for immigrants and international students.

# Moving Halifax Forward

## INTRODUCTION

The Chamber's annual issue note provides a snapshot of the issues that matter to our members and to Halifax's business community. Our priorities are based on conversations with our members and the goals of our 2013-2018 Strategic Plan. While the topics in this document are wide-ranging, they are all important and contribute to the long-term success of our business community.

It is difficult to believe, but the next municipal election will be almost upon us by this time next year. Regional Council has much to be proud of, but there are still many more important issues to be dealt with over the next 12 months including labour negotiations, transit, and zoning. Despite the election pressure, we are confident that Council will continue to make decisions that put the long-term interests of our city first.

## CREATE A POSITIVE BUSINESS ENVIRONMENT

### Reduce the Tax Burden

In last spring's municipal budget, Council approved a 2.3% increase in average commercial tax bills in 2015-16. Council originally directed staff to proceed with a 1.8% increase but due to additional spending and a capital surcharge the average commercial tax bill rose by 0.5% more.<sup>1</sup> We do not agree that raising taxes in a province that is already one of the highest taxed in Canada was warranted. As Council begins the preliminary budget process again this fall we urge them to not make this a trend and to keep expenditures and tax rates under control.

The Chamber has also reviewed the commercial tax reform options that city staff are considering on behalf of Council.<sup>2</sup> While many of the proposed options are interesting, it is not clear that any of them represent a clear improvement over the status quo for the business community as a whole. Attempting to target tax reforms at specific business sizes and sectors is fraught with difficulties, and the proposed reforms risk causing as many problems as they solve.

We represent businesses of all sizes and industries and would find it difficult to support tax reforms that trade lower taxes on one sector in exchange for higher taxes on another. We will continue to urge Council and staff to reduce the overall tax burden on the business community in Halifax and to ensure that the commercial tax burden is in line with services received. Continued attention to expenditure management is critical for creating a more affordable tax system, and savings from expenditure restraint should be put toward lowering taxes for all businesses.

Similar to the provincial government, labour negotiations will be an important issue for the city this year.<sup>3</sup> As wages and benefits constitute most governments' largest single expense, signing affordable collective agreements is essential for maintaining fiscal responsibility.<sup>4</sup> Many of our members feel that there is a disparity between public and private sector compensation and benefits that needs to be addressed, and would find it very difficult to support generous settlements.

### **Champion Common Sense Regulations**

As we have communicated to the provincial government, regulatory reform deserves to be a high priority this year. Now would be an excellent time to commit to examining the municipal regulatory burden and taking concrete action to simplify it. We strongly urge both levels of government to collaborate on this issue to help maximize the impact of any reforms. Collaboration is important because, for many people, there is little distinction between different levels of government and explanations about different areas of responsibility do not elicit much sympathy or understanding from the public.<sup>5</sup>

Over the past few years the Chamber has kept a close eye on whether the city is achieving its development approval timelines, as these are a major cost to Halifax businesses.<sup>6</sup> Unfortunately, updated statistics have not been released for two years. These statistics are not complicated to compile and there is no reason that the city should not be publicly reporting on them. As the city moves forward on the Regional Centre Plan initiative, we strongly urge them to recommit to publicly tracking and reporting whether they are meeting their own targets.

### **Help Build a Vibrant Downtown Core**

This fall, Council will also be presented with the final version of Halifax Transit's Moving Forward Together Plan. The Chamber fully supported the draft plan released last fall and believes that it represents the best opportunity in years to substantially improve Halifax's transit system. Such a large change will undoubtedly face some opposition, but Council should remember that our current transit is in need of substantial reform. According to the Halifax Index, transit hours have increased by 54% since 2008-09, while ridership has essentially stayed the same.<sup>7</sup> This is a clear sign that our current resources are not being deployed as effectively as they could be. Approving the reforms recommended by the Moving Forward Together plan is an essential part of turning this situation around.<sup>8</sup>

We are also looking for the city to maintain its momentum on the Regional Centre Plan. This is a very promising initiative that should increase community support for new developments, while reducing red tape for developers. It will also make it easier for more people to move to Halifax's established areas, increasing the vibrancy of our urban core and reducing cost pressures for the municipality.<sup>9</sup> Projects such as this are highly susceptible to delays, and we expect councilors and staff to pay close attention to keeping this initiative on track.

## GROW AND NURTURE THE SKILLED WORKFORCE

### Promote Immigration

Improving Halifax and Nova Scotia's immigration performance is a key priority for the Chamber. While the federal and provincial governments are in charge of our immigration system, there is still a role for the city to play. The federal government can give us all the provincial nominee certificates we want, but if we are not able to convince immigrants that our city is the kind of place they want to live, it is all for naught. Obviously, making Halifax a welcoming city for immigrants is a collective effort, but Council can use its leadership position to help set the tone. Initiatives such as the Mayor's Welcome for International Students and Council's recent support for letting permanent residents vote in municipal elections are both very positive steps; we hope to see Council build on this momentum.<sup>10</sup>

## CELEBRATING SUCCESS

While there will be many important issues facing Regional Council over the coming months, it is also important to recognize the recent good work of councilors and staff. Overall, there has been excellent progress over the past year on initiatives such as the Regional Centre Plan, Halifax Transit's Moving Forward Together initiative, and working toward letting permanent residents vote in municipal elections. These initiatives will help make Halifax an even more attractive destination in which to live, work, and play. Finally, we continue to enjoy a good working relationship with councilors and city staff and appreciate the attention given to the business community's concerns. We look forward to recognizing even more successes over the coming year.

## CONCLUSION

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

- Keep labour costs and tax rates at an affordable level;
- Recommit to publicly measuring and reporting on development approval timelines;
- Approve the Moving Forward Together plan;
- Maintain progress on the Regional Centre Plan; and
- Help create a welcoming city for newcomers.

## References

- <sup>1</sup><http://www.halifax.ca/council/agendasc/documents/150428cow3pres.pdf> (page 28)
- <sup>2</sup> <http://www.halifax.ca/council/agendasc/documents/150428ca1142.pdf>
- <sup>3</sup> [http://www.nsupe.ca/nsupe/assets/File/Loc13Bulletin\\_2015\\_05.pdf](http://www.nsupe.ca/nsupe/assets/File/Loc13Bulletin_2015_05.pdf)
- <sup>4</sup> <http://novascotia.ca/PublicServiceSustainability/PublicSectorLeadersPresentation.pdf> (slide 12)
- <sup>5</sup> <http://www.cbc.ca/news/canada/nova-scotia/graham-steele-provincial-politics-entangled-in-federal-campaign-1.3178087>
- <sup>6</sup> <http://www.halifaxpartnership.com/en/home/economic-data-reports/halifax-index/default.aspx>
- <sup>7</sup>[http://www.halifaxpartnership.com/site/media/Parent/8x10\\_HalifaxIndex2015\\_June18\\_Web.pdf](http://www.halifaxpartnership.com/site/media/Parent/8x10_HalifaxIndex2015_June18_Web.pdf) (page 58)
- <sup>8</sup>[http://s3uswest2.amazonaws.com/transitsurvey/MovingForwardTogetherDraftPlan\\_Feb172015.pdf?mtime=20150216213837](http://s3uswest2.amazonaws.com/transitsurvey/MovingForwardTogetherDraftPlan_Feb172015.pdf?mtime=20150216213837)
- <sup>9</sup> <https://www.halifax.ca/boardscom/documents/HRMGrowthScenariosFinalReportApril292013.pdf>
- <sup>10</sup><http://atlantic.ctvnews.ca/halifax-wants-to-extend-municipal-voting-rights-to-permanent-residents-1.2139892>