



Halifax Chamber of Commerce 2021-2022 Municipal Budget Response

May 18th, 2021

To Mayor Savage & Councilors,

The Halifax Chamber

The Halifax Chamber of Commerce is a business advocacy organization committed to creating value and prosperity for its members. The Chamber provides the services its members need while advocating for the conditions to enhance private sector growth.

Together, the 1,700+ member businesses and their over 65,000 employees act as a single, powerful voice through the Chamber to promote local business interests. The volunteer board of directors and Chamber staff undertake initiatives by request of, and on behalf of our diverse membership. To do this, we've tailored programs, expanded our Member-to-Member Marketplace and created connections. We also help our members grow through programs, new strategies and help expand their influence with policymakers.

The Halifax Chamber of Commerce has watched, with interest, budget deliberations and conversations, and we are slightly relieved to see that council has opted for only a 1% increase to the residential and corporate tax bill. It is no secret that many small and medium sized businesses will continue to see the affect COVID-19 well into 2022/2023, therefore, it is our hope that the Halifax Regional Municipality (HRM) has a plan to ensure commercial tax is not a barrier to a businesses' ability to recuperate from this pandemic. We continue to ask the municipality to publish the breakdown of cost of services and will advocate for greater municipal taxation powers from the province for the municipality. We are pleased to see that Budget 2021-2022 does include a plan to make changes to commercial property tax policy that could include a three-year phase-in assessment of increases and tiering of tax rates.¹ The Chamber will continue to attend commercial taxation sessions with HRM to improve the business environment for our members.

The Chamber was prepared for a decrease in ridership on Halifax Transit due to the pandemic and the subsequent related decrease in revenues. According to the 2021-2022 budget, conventional transit ridership is projected to have dropped by nearly 12 million riders in 2020/21 over 2019/20 numbers. Further, planned ridership for 2021/22 is 5 million less than pre-pandemic levels. While we understand that this current third wave of COVID-19 will continue to have an impact on ridership, we were looking for council and staff to provide incentives to increase ridership, thus restoring transit revenues to pre-

¹ [OperatingBudgetBook2122.pdf \(halifax.ca\), M3](#)

pandemic levels, or growing revenues post-pandemic. While past service changes may have led to increased ridership, it would be beneficial for the city to outline how future changes will do the same. Notably absent from the budget is methods the city is taking to restore confidence in the transit system as being safe, as well as a lack of incentives to get riders back on Halifax Transit.

While the development of new affordable housing units under the Rapid Housing Initiative (RHI) is welcomed, the RHI will lead to the creation of only 52 new affordable housing units. With a vacancy rate hovering at 1.9%, further action should be taken to spur construction of affordable housing. The launch of the Affordable Housing Grant Program in fall 2021, funded by cash-in-lieu under the incentive or bonus zoning program, is welcomed. As grants are distributed, we continue to advocate for the publication of agreements and the number of affordable housing units to be created under them. While we are supportive of the grant program, there will be a significant gap between now and the time people move in. We believe core density housing in downtown cores to offset the loss of consumers who are now working from home should be considered. We continue to push for the municipality to be given more power from the province to reduce land use and policy barriers preventing the construction of affordable housing units. The pandemic has highlighted the importance of developing innovative policies receptive to the realities of the city's small businesses, which would allow businesses to operate under public health guidelines safely. The Chamber was disappointed by the budget's lack of investment in infrastructure that would allow businesses to operate outdoors, such as by the creation of "booths" or "stalls" to access new and current customers.

The Chamber welcomes the budget's commitment to supporting community events through Regional Special Events Grants and the Marketing Levy Special Events Reserve Grant Program, which will contribute to increased foot traffic of residents and consumers into downtown cores. While there is a significant decrease in signature events this year (14) from pre-pandemic years (22 in 2019/20), we are happy to see the city's flexibility in hosting events during the pandemic and under public health restrictions. We continue to believe more should be done to increase foot traffic of consumers in downtown cores; small businesses in these areas continue to suffer due to the consequences of the pandemic. While the Chamber has always been supportive of projects that can enhance our municipality and improve efficiencies, we are concerned that projects, like Cogswell and the Spring Garden renovations will create barriers for our businesses to attract clients and customers. We ask that the municipality ensure that contingency plans are in place to assure businesses that foot traffic will not be hindered, and that recovery will not be compromised due to construction.

While some by-laws were specifically included as to be reviewed (S-300, for example), the budget does not include a review of by-laws that impact small businesses through regulation or outdated policies. The Chamber will continue to advocate on overly burdensome regulations and outdated policies that adversely impact small businesses to be reviewed and, where appropriate, repealed. The Chamber was disappointed to learn that the budget didn't expand on a plan to review policy changes that occurred during the pandemic. The Chamber is hopeful that the municipality will keep those policies that enhanced the business environment and spurred economic development, such as eliminated patio fees.

Compensation and wages increased spending this year, sitting at over \$433,000,000 (or 43% of the total budget), up from approximately \$408,000,000 in 2019/20 (or about 41% of that year's budget). The Chamber continues to believe wage increases should not increase overall spending and taxation levels. The Chamber was disappointed to read that there is currently no plan to review the HRM Pension Plan to

ensure it is a fair plan for those who pay directly into the plan and the taxpayers who pay the remaining portion of it. The increase in 2020-2021 Deed Transfer taxes used to pay for new employees is a cause for concern. Is it the assumption that deed transfer taxes will increase yearly to cover these costs permanently, or will we see an increase in taxes for residents and business next year to pay for these incremental salaries and benefits? The Chamber is pleased to see the city's investment in the African Nova Scotian Road to Economic Prosperity Action Plan. Funding for this initiative will lead to an increased level of accountability and ensure desired outcomes are met. We would have liked to have seen a similar investment in the Integrated Tourism Master Plan; however, the budget does not include specific funding for the Plan.

While we know we have given the Municipality a lot to think about, we would like to thank the Mayor and Councilors who supported lower taxes for businesses during a difficult time. The level of communication between the Chamber and the Municipality has been greatly appreciated by us and our members. We hope we can continue this relationship and work towards a positive business environment of our members and the community.

Sincerely,

Patrick Sullivan

A handwritten signature in black ink, appearing to read 'P. Sullivan', written in a cursive style.

President & CEO,

Halifax Chamber of Commerce