



Halifax Chamber of Commerce
2020 Municipal Issue Note

Submitted To:
Mayor Savage & Councillors

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2020 Issue Note Introduction

Each year, the Halifax Chamber of Commerce submits an Issue Note to the Municipal and Provincial governments. These documents outline some of the issues that are affecting our members and the business community and poses questions for our civic leaders. COVID-19 has had a strong impact on our membership and the broader community; therefore, our 2020 Issue Note will focus significantly on what the municipal government can do to provide support to entrepreneurs, business owners, and employees during this unprecedented time. While our 2019-2023 Strategic Plan pillars will still be prevalent in our discussions, we want the emphasis to be on the things we can do now, that

will encourage growth, sustainability, and stimulation of the economy.

Who are We?

The overall goal of the Halifax Chamber of Commerce is to create value and prosperity for our over 1750 members. Of these members over 83% are small businesses with less than 25 employees and we also have over 200 members that are in the Not for Profit Category. Through our 2019-2023 Strategic Plan, we are providing the services businesses need, hosting events that will help them learn, and are advocating for the conditions in the economy that enhance their prosperity. Our task forces, Fostering Private Sector Growth and Accessing A Skilled Workforce, are currently working towards goals that aid in our member's prosperity and economic growth of the Municipality.

In a non-covid-19 year, we host numerous events that focus on the betterment and sustainability of our business community. Our signature and annual events often feature local entrepreneurs and immigrants, post-secondary institutions, and prestigious business organizations. Each year we provide our members the opportunity to hear the state of the Municipality and Province during luncheons and celebrate their successes at our Business Awards. The Halifax Chamber has since moved many of our events online, including multiple webinar series, virtual networking, and now within the current health protocols, have begun in-person and hybrid events.

Thank You

On behalf of our membership, we wanted to say thank you to Mayor Savage, councilors and staff for your participation, hard work and dedication to the Nova Scotia Business & Labour Economic Coalition (NSBLEC) which was founded in March to support Nova Scotian organizations during Covid-19. Our members were pleased with the quick changes that were implemented to make it easier to do business during a pandemic. Initiatives like tax deferral, eliminating the cost of

patios, and removing street parking fees all had a positive impact on our membership's ability to operate. We hope this relationship continues and are always happy to have the Mayor, Councillors, and staff on our NSBLEC calls.

Promoting and Supporting Halifax as a Major City

COVID-19 had and continues to have a major impact on our business community. From the ability to pay rent, to the reduction in the number of patrons in a building, our businesses have had to make massive adjustments to the way they operate, and for some, this adjustment wasn't enough. Ensuring that our businesses can weather the COVID-19 storm, is a huge part of increasing our cities attractive to immigrants, Canadians from other provinces, and businesses looking to enter new markets.

Tax Reform

With no end in sight to the current health protocol restrictions, and the winter months about to settle in, we are looking to the municipality to find new ways to help our small businesses to remain sustainable and viable. The tax deferral program that was implemented at the beginning of the pandemic was helpful to businesses, but what would be more beneficial is commercial tax reform. In a recent roundtable, our members told us that three-year rolling assessment averaging would reduce the peaks and valleys of a business tax bill and provide for greater clarity and consistency. Reviewing the tax system would not only help businesses better predict their tax bills but also provide the municipality with access to sustainable tax revenue. We encourage the municipality to request more taxation powers from the province to overhaul the commercial tax system in Halifax.

Question: Has the municipality recently requested greater taxation powers from the province and what was the outcome?

As in previous years, we ask the municipality to review the cost of services for businesses across the municipality to determine who pays more for fewer services and how this can be rectified for our small businesses paying privately for services like garbage collection.

Question: What is the cost of services for commercial and residential taxpayers across the municipality?

Winter Activities

As the winter months settle in, and more avenues to get active and outdoors close, we are looking to the municipality to find new ways our communities can safely come together. This can benefit both the community and our businesses as a common, safe meeting space can promote activities such as winter markets and winter organized sports, wherein businesses can set-up shop. Promoting activities such as the Halifax Oval where patrons can then head off for a hot chocolate at a local café can only benefit our struggling small businesses. Rural communities and businesses would also benefit from increased rurally located outdoor activities and infrastructure as they are often left out of Halifax-central projects and initiatives.

Question: What options do people in the Halifax Regional Municipality (HRM) have for winter outdoor activities?

Question: Could the municipality investigate new infrastructure projects like a Dartmouth Oval, that could include booths for businesses?

Question: Is the Municipality planning on using current rural community and recreational centres and will new rural HRM infrastructure be built to support colder-weather activities?

Affordable Housing and Infrastructure

The Halifax Chamber is aware that housing regulations often fall under the jurisdiction of the province, but we feel strongly that the municipality has a role to play in ensuring everyone has a fair chance at safe, affordable

housing within the HRM. The Chamber sees the need to fast track development in the next 18 months. This will help revitalize the downtown core, create spin-off jobs for architects and engineers, and could decrease the average cost of renting/condos, which is rising across the municipality. There is a short window of time for these developments and we need to tap into current revenue streams. Incentivizing the development of living spaces and recreational spaces will hopefully lead to an increase in affordable housing and more activities for our communities. Expediting permits would increase the number of developments built and hopefully increase the likelihood of affordable units within apartments and condo buildings.

Question: Is the municipality currently reviewing ways to accelerate new housing including faster approvals for new construction?

Question: Is the municipality currently reviewing ways to spur development within the HRM and what incentives are available?

The Chamber was pleased to see that the municipality is trying to increase affordable housing through the density bonusing reserve account¹, but question when this money will realistically be used. Instead of the “in-lieu’ money developers can hand over to the municipality, why not hold developers accountable to build affordable units in their buildings? We know that realistically, council and staff projects take a very long time, therefore ensuring developers include affordable units when building their apartments and condo units would be a much quicker route to help those struggling to find affordable housing in HRM.

Question: How many developers have chosen to given money in-lieu of affordable units?

Question: What is the municipality currently doing with the “density bonusing’ funds they have?

Transit

We know the devastating impact COVID-19 had on our transit system. The substantial reduction in people using public transit and the subsequent elimination of transit fees created a major loss of revenue for the municipality. Of the \$44 million in revenue loss, \$29 million can be directly accounted for from transit². This revenue stream is extremely important to the municipality's ability to continue to provide HRM communities with the same level of services. While the worry about using public transit was very real, we are now in a better place, both with COVID-19 numbers and our understanding of how to stay safe and hygienic. This may be a great time to overhaul the marketing campaign around public transit. With the safety protocols in place, this is a good time to continue the work of HRM's Active Transportation Plan³. A Reduction in the number of people driving their vehicles in the HRM can have a positive impact on our environment. To do this though, we need HRM's transportation to be easily used and readily available in all areas of the municipality. During our 2020 Meet your Candidates webinars for the Councillor candidates, we often heard that transit is a large issue for those in rural HRM. If we want people to support small businesses, continue working downtown, and using their vehicles less, we need to ensure transit routes are available.

Question: When was the last review of Halifax Transit's routes done for ease of getting to major work centers and businesses across the HRM?

Question: What is the municipality looking at doing to ensure continued and/or increased ridership of public transit, given the impacts of COVID-19?

¹ <https://www.thecoast.ca/halifax/council-approves-three-initiatives-to-try-and-fix-the-housing-crisis/Content?oid=24917626>

² <https://www.cbc.ca/news/canada/nova-scotia/hrm-vote-municipal-budget-cuts-1.5563741>

³ <https://www.halifax.ca/transportation/transportation-projects/active-transportation>

Optimizing the Size of Government

Municipal Pensions & Living Wages

We remain concerned that the municipality's pension plan did not pass the 2019 Financial Matrix established by the pension committee and that this too may have a significant effect on pension contributions⁴, potentially leading to significant contribution increases for both workers and HRM of up to \$25M annually. We continue to support pension reform and hope this process and findings will be made public. HRM's pension as compared to other pensions is very rich⁵ and with expenditures rising we worry about the viability of the municipality's spending and whether this will have a direct impact on the ability to provide services to our business community. In conjunction with this, the municipality recently voted to approve a living wage requirement for municipal employees. While the Chamber agrees that people should be paid fairly, we worry what this increase will do to tax bills and competitiveness of our business community, especially given the impacts of COVID-19 on the municipality's revenue streams. The staff report pegged this living wage at \$8 million, with the true cost's unknown until the 2021-2022 budget⁶.

Question: With costs rising for everyone and revenue streams diminishing, we question where the extra money will be found for this increase in wages.

Question: With HRM's pension plan determined to be one of the richest plans across the country for employees⁷, will Council review that plan to bring it in line with other plans?

⁴ <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/190115rc123pres.pdf>

⁵ IBID

⁶ <https://www.halifaxexaminer.ca/city-hall/halifax-council-approves-living-wage-requirement-for-contractors/>

Spending

The federal government recently announced that they would be delivering \$7.6 billion for municipalities across Canada⁸. Nova Scotia will receive \$250 million of that, divided between the municipalities⁹, with some of it going towards the loss in transit revenue. We were pleased to see the federal government support our municipalities but hope that the use of this money is made public to ensure transparency and accountability.

Question: What will the federal money be used for and will there be any left to support our hurting business community?

Creating a Frictionless Business Environment

Red Tape

The municipality recently eliminated the cost for patios for businesses and allowed businesses to find unique ways to serve and sell to their customers outside. The winter months will bring new challenges for businesses as patios potentially close and social distancing rules will mean dwindling indoor patron numbers. We ask the municipality to find new creative ways once again for businesses to utilize outdoor spaces to remain viable. Permits for things like winter outdoor markets, outdoor events, and winter patios should be expedited with reduced or eliminated fees to allow businesses the opportunity to find new ways to connect with their customers and the community.

Question: Is the municipality currently looking into creative ways to allow businesses to remain open and sustainable during the winter months? If yes, what are those ways?

⁷ <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/190115rc123pres.pdf>

⁸ <https://www.thechronicleherald.ca/news/provincial/ottawa-throws-lifeline-to-municipalities-struggling-with-covid-financial-losses-479602/>

⁹ IBID

By-Laws

In 2019, HRM was only 46% of the way through the by-law review¹⁰. Right now, as the businesses struggle to make payroll, it would be in everyone's best interest if some or all of the outdated and unnecessary by-laws were reviewed, amended, or discarded. In previous submissions, we have outlined the One-For-One Rule¹¹, which the Federal Government uses and through which has seen a reduction in the regulatory burden on businesses that better allows them to make investments in productivity and job creation, and in a COVID-19 environment, stay open.

Question: What percentage of By-Laws have been reviewed?

Question: Is By-Law review still a priority of the municipality? If not, why?

Construction Mitigation

As a member of the Construction Mitigation team, we are in still support of the document that was submitted to Council by the Spring Garden Area Business Association. We agree that while construction can lead to economic growth and opportunity, the construction stage is not without its impact on businesses. It is especially important now, given the effects of COVID, that businesses do not incur another roadblock or hurdle that impacts that sustainability and viability of our business community.

Question: Has the municipality reviewed the construction mitigation letter?

Conclusion

Our business community and the Nova Scotia Business & Labour Economic Coalition have both been extremely impressed and appreciative of the level of support and communication the municipality has shown during this period of

COVID-19. While we do have some questions for the municipality, we are striving to keep the same relationships as we continue through the economic recovery. We want to ensure the survival of our local businesses and the significant role they play for our economic growth and attractiveness as a municipality and province. Our 2021-2023 Pre-Budget submission will delve further into issues, both COVID and non-COVID-related, and we hope that the answers you provide will aid us in our creation and development of our recommendations.

Questions for the Municipality

- ❖ Has the municipality recently requested greater taxation powers from the province and what was the outcome?
- ❖ What is the cost of services for commercial and residential taxpayers across the municipality?
- ❖ What options do people in the Halifax Regional Municipality (HRM) have for winter outdoor activities?
- ❖ Could the municipality investigate new infrastructure projects like a Dartmouth Oval, that could include booths for businesses?
- ❖ Is the Municipality planning on using current rural community and recreational centres and will new rural HRM infrastructure be built to support colder-weather activities?
- ❖ Is the municipality currently looking into creative ways to allow businesses to remain open and sustainable during the winter months? If yes, what are those ways?
- ❖ Is the municipality currently reviewing ways to spur development within the HRM and what incentives are available?
- ❖ How many developers have chosen to give money in-lieu of affordable units?

¹⁰ <https://www.thecoast.ca/halifax/hrms-bylaw-review-crawls-along/Content?oid=20340697>

¹¹ <https://www.canada.ca/en/treasury-board-secretariat/services/federal-regulatory-management/one-for-one-rule.html>

- ❖ What is the municipality currently doing with the “density bonusing’ funds they have?
- ❖ When was the last review of Halifax Transit’s routes done for ease of getting to major work centres and businesses across the HRM?
- ❖ What is the municipality looking at doing to ensure continued and/or increased ridership of public transit, given the impacts of COVID-19?
- ❖ With costs rising for everyone and revenue streams diminishing, we question where the extra money will be made for this increase in wages.
- ❖ With HRM’s pension plan determined to be one of the richest plans across the country for employees¹², will Council review that plan to bring it in line with other plans?
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- ❖ Is By-Law review still a priority of the municipality? If not, why?
- ❖ Has the municipality reviewed the construction mitigation letter?

Contact Us

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¹² <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/190115rc123pres.pdf>