



HALIFAX CHAMBER
OF COMMERCE

stronger together

**2004 Municipal Key Issues Briefing
Meeting with Mayor Peter Kelly
October 20, 2004**

The Halifax Chamber of Commerce appreciates the opportunities we have to meet with representatives of the Halifax Regional Municipality to share the key advocacy issues that will be advanced throughout the year. As HRM's oldest business advocacy organization, the Chamber acts as the voice of business for almost 2,000 members and their 90,000 employees. All of the Chamber's advocacy work – from regional planning to air transportation to taxation issues – is done at the request of our members. As always, our goal is to ensure that Halifax remains the best city in Canada in which to live, work and play.

The policy and advocacy work of the Chamber is driven by the efforts of volunteers from committees and task forces consisting of more than 350 leaders from the business community. The Chamber has implemented a government relations plan that defines the public policy outcomes that are important to our organization and sets out key initiatives that will be undertaken by the Chamber to achieve those outcomes. The principles guiding our plan are:

- the Chamber is politically neutral
- the Chamber communicates its key priorities on a regular basis;
- there will be no surprises in any dealings with government;
- dialogue will be ongoing and meaningful; and
- Chamber advocacy will be consistent and regular.

The following document outlines key issues of concern to the Chamber. We look forward to on-going dialogue and a continued working relationship on these and any other areas of mutual concern.

Regional Planning

The Chamber has been highly involved with the regional planning process. A strong capital region, with an aggressive plan for planned growth, will benefit the economy of the province.

We are pleased that 3 alternative scenarios for growth have been developed and are being evaluated. The Chamber priorities for evaluating all aspects of the regional plan remain (as we have stated in earlier submissions):

- Be flexible and efficient

- Enable sustainability
- Provide a decision-making framework
- Be accessible and transparent
- Be timely
- Foster competitiveness of our region
- Balance residential and business priorities
- Include measures and accountabilities

The planning process has been divided into key topic areas, and the Chamber has commented on each.

Economy: Creating a strong economy means ensuring a strong business environment that attracts, retains and helps grow business. It requires competitive tax conditions and a favourable business environment.

The Chamber is pleased to be undertaking an Economic Summit at the request of the HRM. This Summit will represent the culmination of the work of a diverse group of business people and other related persons who are meeting to identify and analyze key aspects the city's economic future.

The presentation of their findings at the Summit will stimulate thought and action on the economic direction of the city and help guide and coordinate the city's economic growth.

Environment: Our environmental assets, such as lakes, shorelines, waterways and green space, must be preserved and improved to make Halifax an even more attractive place to live.

Settlement: Development should occur by design, not by default. The plan must define and influence where development occurs, and for what purposes, such that services can be delivered, and infrastructure deployed, as efficiently as possible.

Transportation: Development plans must contemplate the need to efficiently and effectively transport people to and from where they live, work and play. Transportation cannot be an afterthought to development. Alternative modes of transportation must be introduced to decrease disproportionate reliance on roadways.

In order to efficiently and effectively respond to the transportation needs of Halifax businesses, residents and visitors and to ensure that the transportation system in and around the city is seen as an advantage, not a hindrance, to doing business in the city, a coordinated approach is needed.

A transportation authority would be a vehicle to such a coordinated approach. The Chamber of Commerce encourages all levels of government to continue their efforts to establish a transportation authority to lead the implementation of inter-modal transportation initiatives.

Halifax Harbour: A balance between commercial and recreational purposes must be, and can be, achieved. The Harbour should facilitate commerce, but become more attractive for recreational purposes. The clean-up of Halifax Harbour must progress.

It is our hope that these principles are considered as each alternative is being evaluated.

The Chamber is committed to the development of a comprehensive regional plan to guide the future growth of Halifax. An aggressive, ambitious and challenging plan will paint a compelling view of what our community can be in the future. Together – community groups, government and business – can help to draw the road map that leads to the shared vision of our community.

Municipal Tax Reform

In order to maintain relatively “flat” taxation levels, HRM has maintained a policy of raising tax rates only by the amount of inflation, and decreasing the rate for increases in assessment values. This policy has been effective in keeping property taxes in check. In fact, relative to other Canadian cities, the tax burden in HRM is described as low to medium by Standard and Poor’s credit rating agency.

Areas of concern to the Chamber of Commerce include: commercial and residential tax burden and the business occupancy tax. In general, the Chamber would like to see a tax burden that is more reflective of the consumption of services.

The Chamber has supported efforts to pursue business tax reform particularly as it relates to the prompt elimination of the business occupancy tax. The Chamber continues to be committed to the elimination of the Business Occupancy Tax, a move the current provincial government has pledged to legislate in the Spring 2004.

Elimination of the business occupancy tax would reduce administrative duplication and streamline the process by collecting the revenues through, for example, commercial property taxes. Maintaining a competitive and healthy business environment requires a tax structure that provides the business sector with fair and predictable levels of taxation.

A related matter is the question of the replacement strategy for Business Occupancy Tax. An impact analysis of Business Occupancy Tax elimination is essential. Such an analysis would create the basis for a fair, clear and consultative process on a replacement strategy. The Chamber also supports a reasonable phase-in period that would allow municipalities to appropriately address questions of tax realignment. The Chamber would like to see any administrative cost savings and additional revenue derived from BOT replacement (e.g. from federal government taxes) go into minimizing impact of BOT replacement on the business community.

It is important to ensure that the tax climate in HRM is attractive and competitive, on both the residential and commercial sides. It is the Chamber's view that municipal tax structure needs to be revised with a view towards developing a structure more appropriate for today's municipality. This must be done in conjunction with the Province. The Chamber would like to work with both HRM and the Province to explore options for improving the municipal tax structure.

Creative Funding Methods for HRM

As the capital of Nova Scotia, we feel a strong Halifax is a benefit to the whole province. HRM needs to maintain capital infrastructure if it is to meet its theme of sustainable communities. Year to year HRM continues to have shortage estimates in the millions of dollars, and it is projected to get worse. The gap is

growing. HRM must begin to better maintain existing infrastructure and even expand to support growth. HRM must find new ways to fund this shortfall by taking measures such as: finding new revenue streams, reducing costs and removing redundant assets.

For example, Canadian Mayors have asked the federal government to share a portion of the fuel tax revenues to help fund municipal capital infrastructure requirements. The Chamber supports HRM's efforts to find new and creative methods of funding and encourages this to continue.

Conclusion

The Chamber believes there are many areas for an integration of shared priority areas, within and between levels of government and the community. We all share a significant role in creating our future community. Open lines of communication and strong relationships will enable the achievement of mutual goals.

The Chamber will be advocating on these and other policy areas of shared priority, and we look forward to working with HRM and the Province on each.

For more information on the Chamber's policy and advocacy initiatives check out our website at: www.halifaxchamber.com.