



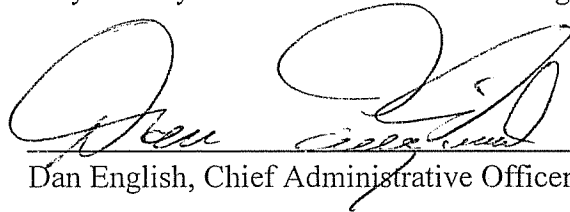
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Item No. 11.1.4

**Halifax Regional Council
January 8, 2008**

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer

DATE: January 2, 2008

SUBJECT: Economic Strategy Target Measures

STAFF REPORT

ORIGIN

This report is being brought forward by staff in anticipation of the release of the Halifax Chamber of Commerce's Economic Scorecard in February.

RECOMMENDATION

It is recommended that Halifax Regional Council endorse amendments to the Halifax Regional Economic Strategy Outcome Measures as per the "recommended actions" outlined in the tables on measured targets for the Economic Strategy attached to this report.

BACKGROUND

HRM's Economic Strategy has been in effect for two years. February, 2007 marked the inaugural release of an annual scorecard on the progress of strategy implementation by the Halifax Chamber of Commerce. In preparing the Economic Scorecard, the Chamber of Commerce Scorecard utilizes data from various sources such as Statistics Canada to track progress of strategy implementation against specific target measures which are part of the Economic Strategy. The Scorecard utilizes a scoring system comprising "green, red and yellow lights" as a means of determining positive, negative and unknown status respectively. The 2007 Scorecard measured the progress of Strategy implementation for the previous year.

DISCUSSION

In anticipation of the 2008 Economic Scorecard (on 2007 progress), staff from HRM and the GHP met with representatives of the recently established Economic Strategy Implementation Committee of the GHP Board and Chamber of Commerce representatives to share information on the progress of strategy implementation and to facilitate preparation of the Chamber's Scorecard. (Council received a report on the progress of Strategy implementation at a November 27 Committee of the Whole meeting). In the course of preparing for release of the Chamber Scorecard, and based on lessons learned during the past year, it was discovered that some of the measured targets currently used in the Strategy to track its implementation could benefit from some refinement.

Appended to this report are five tables in which the measured targets of the Economic Strategy have been identified. The current trends and observations based on lessons learned in the past year are included from staff's perspective. The summary indicates that overall, the progress of Strategy implementation is tracking towards the targets established. However, the analysis indicates that in some instances, the targets identified in the Economic Strategy are impractical and in some other instances, more appropriate ways of measuring the progress of strategy implementation should be utilized in order to support the Chamber Scorecard exercise. In both cases, specific wording for strategy amendments is suggested.

The recommended changes to the strategy are non-substantive in nature and do not impact policies, goals and objectives that were adopted as part of the document. They are intended to provide more clarity in terms of measuring the progress of strategy implementation and have been reviewed by the Chamber of Commerce who in turn will use them in preparing its annual Scorecard.

As the Economic Strategy is a policy document adopted by Halifax Regional Council, and the current measured targets are part of the document, any amendments to the strategy must be endorsed by Council. Council has the ability to effect the desired changes by resolution.

BUDGET IMPLICATIONS

There are no budget implications associated with this report.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

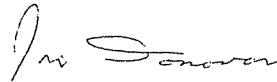
This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ATTACHMENTS

Appendix – Measured Targets for Halifax Regional Economic Strategy

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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APPENDIX
MEASURED TARGETS FOR HALIFAX REGIONAL ECONOMIC STRATEGY

TABLE 1: TARGETS FOR STRATEGY GOAL OF: “SUPERCHARGE OUR LABOUR FORCE”

| Outcome Measure | Strategy Target | Current Trend | Recommended Action |
|-----------------------------------|--|---|---|
| <i>Increase Population Growth</i> | Rank among the top CMA's with the fastest population growth over the next five years | The current target is unrealistic. HRM's population grew by 13,675 persons, or 3.8%, between the 2001 and 2006 Census periods, compared to 5.8% for Victoria, 5.1% for London, 4.7% for St. John's, 4.2% for Quebec and 1.1% for Regina. ¹ Amending the target measure to reference benchmark cities will not lessen the need to focus on population growth as a strategic priority. | Amend the Strategy target to read: “Achieve the fastest population growth among benchmarked cities over the next five years” |
| <i>Improve Employment Growth</i> | Increase employment growth by more than 10 percent over the next five years | Employment growth has been steady and is tracking towards this measure although more population growth is needed to meet the 5-year target. | No changes necessary. |
| <i>Decrease Unemployment Rate</i> | Reduce the overall unemployment rate by 1 percent over the next five years | Target was reached in 2006 and needs to be maintained | No changes necessary |
| <i>Enhance Participation Rate</i> | Rank among the top five CMAs with the highest labour force participation rate | This is not an accurate measure of economic performance because the rate fluctuates from month to month and the difference between participation rates among major cities is so close as to be within the margin of error used by Statistics Canada. Population growth, together with employment and unemployment rates should be sufficient to capture information needed on | Amend Strategy target to delete this measure |

¹ In preparing its Economic Scorecard, the Halifax Chamber of Commerce benchmarks Halifax against these five cities of comparable size, four of which are also provincial capitals like Halifax. It is therefore reasonable to use these cities to benchmark economic strategy target measures to the extent practical.

| Outcome Measure | Strategy Target | Current Trend | Recommended Action |
|---|---|--|---|
| <i>Attract More Immigrants</i> | Attain 2800 immigrants per year by 2009 | labour force, so this measure should be deleted. | No changes necessary. |
| <i>Retain More Immigrants</i> | Retain 70 percent of new immigrants by 2009 | The only means of tracking this measure is through Census data. HRM's immigrant retention rate increased from 30 percent to 50 percent between the 2001 and 2006 Census – an improvement but still below the target. The Chamber of Commerce recommends that this measure be deleted from the strategy due to an inability to track this on an annual basis. | Amend the Strategy to delete this measure. |
| <i>Increase University Admissions</i> | Increase admissions by 500 per year in HRM for the next 5 years | University enrolment is an important part of HRM's economy and the target should remain as is. Additionally, community college enrolment should be added as a target in the Strategy. | Amend the Strategy to include the following target: "Increase Nova Scotia Community College enrolment over the next 5 years" |
| <i>Improve DND and Federal Employment</i> | Increase defence and federal government presence by 3000 persons by 2010; recover half of the job losses since the 1990's | Recent contract losses (subs, supply ships) represent a concerning trend. The federal employment level in 2006 was 16,336 – 101 people fewer than 2004 and 208 fewer than in 2005. | No change |

TABLE 2: TARGETS FOR STRATEGY GOAL OF "CONVERT RIVALRIES INTO PARTNERSHIPS"

| Outcome Measure | Strategy Target | Current Trend | Recommended Action |
|---|--|---|--|
| <i>Joint economic development initiatives implemented</i> | Priority actions of the strategy are implemented | 8 of the 11 strategy priorities are long term activities and well into implementation. The remaining 3 are in progress. A priority to establish a Quality of Place Council was slow to develop but there has been significant activity on this in the past year. | No change |
| <i>Implement Gateway Strategy</i> | Have a fully operational Gateway Strategy up and running within one year | The one year target to operationalize a strategy has been achieved. However, there is currently no measure in the strategy which covers port activity or airport passenger levels which are important Gateway indicators. In order to maintain momentum, additional measures related to increasing containerized cargo and airport passenger volumes should be added. | Amend the strategy to include the following outcome measures: <ul style="list-style-type: none"> • "increase containerized cargo • "increase airport passengers"; and to include the following strategy targets: <ul style="list-style-type: none"> • "increase containerized cargo by 3% per year" • "increase passengers enplaned and deplaned by 3% per year" |

TABLE 3: TARGETS FOR STRATEGY GOAL OF: "CAPITALIZE ON OUR REPUTATION"

| Outcome Measure | Strategy Target | Current Trend | Recommended Action |
|--|---|---|--------------------|
| <i>Increase room nights sold</i> | Increase room nights sold by five percent per year. | Hotel Association of NS (HANS) report a four percent increase in room nights sold. | No change |
| <i>Improve business confidence</i> | Improve business confidence over the next five years so that it is the highest in Atlantic Canada. | Awaiting data release for this year. | No change |
| <i>Enhance brand recognition</i> | Improve Brand recognition of HRM in national and international markets. | Specific metrics for this target have yet to be developed. The Strategy contemplates that these would be developed by a "Quality of Place" Council which is just been established recently. | No change |
| <i>Foster greater awareness of Halifax as a place to do business</i> | Increase by an average of five percent per year, over five years, the number of hits to HRM business development organization websites. | This target is being met. | No change |

TABLE 4: TARGETS FOR STRATEGY GOAL OF: "LEVERAGE OUR CREATIVE COMMUNITY"

| Outcome Measure | Strategy Target | Current Trend | Recommended Action |
|--|---|---|--|
| <i>Increase public investment</i> | Increase public investment to be on par with benchmark cities within five years | Despite significant investment made through HRM's Capital Budget, HRM ranks last in this category among benchmark cities according to Statistics Canada. In 2006, HRM's per capita public investment was \$27.60, compared to \$87.00 for St. John's, \$214.80 for Quebec City, \$322.50 for Victoria, \$355.50 for London, and \$525.90 for Regina. The marked contrast suggests a need to examine the basis for determining public investment levels (They are based on building permit revenues according Stats Canada). | No change. Staff will review how public investment levels are determined and reported in order to better understand why HRM levels are so low. |
| <i>Enhance quality of labour force</i> | Have the number of persons with post-secondary degree or diploma at 70% within five years | The starting figure for this benchmark target was intended to reflect the percentage of people in HRM with post-secondary education or better, about 63%. A target of 70% having a post-secondary degree or diploma is unrealistic. It would be better to benchmark to comparable cities. (HRM would rank highest) | Amend the Strategy target to read: "Achieve the highest percentage of persons having a post-secondary degree or diploma among benchmark cities" |
| <i>Improve average income</i> | Increase average weekly wage to meet the Canadian average within five years | Statistics Canada and Conference Board data indicates that HRM income levels are tracking closely to the national average. | No change |
| <i>Increase support for economic development</i> | Increase economic development funding over the next five years | This indicator was intended to reflect government funding only. HRM increased funding to GHP as part of the 07/08 Operating Budget which enabled the target to be met. | No change |
| <i>Attain high community satisfaction</i> | Reach 80% community satisfaction | | A recommendation for this measure will be confirmed on Tuesday, January 8/08 |

| Outcome Measure | Strategy Target | Current Trend | Recommended Action |
|--|---|--|---|
| <i>Increase visitors to heritage sites</i> | Increase visitation to heritage sites by five percent in five years | The reference to "heritage sites" in the Strategy appears should read "historic sites" as there is no reliable means of recording visits to heritage sites. According to Parks Canada, the only sites in HRM where the number of visitors can be quantified are the Citadel, the Prince of Wales Tower at Point Pleasant Park, Fort McNab and Georges Island. Last year there was a 7.4% increase which exceeds the strategy target. | Amend the Strategy target to delete reference to "heritage sites" and replace with "historic sites" |

TABLE 5: TARGETS FOR STRATEGY GOAL OF: "CREATE A GUNG HO BUSINESS CLIMATE"

| Outcome Measure | Strategy Target | Current Trend | Recommended Action |
|---|---|--|---|
| <i>Increase public investment</i> | Increase public investment to be on par with benchmark cities within five years | This measure appears in the Strategy twice. Although public investment is a significant indicator of business climate, its application as an indicator for community development is more appropriate. | Amend the Strategy to delete this second reference to the same measure. |
| <i>Increase private investment</i> | Have private investment above the national average in five years | National per capita investment in 2006 was \$603.48 and for Halifax it was \$612.85 placing HRM third among benchmark cities compared to: \$848.10 (St. John's), \$824.30 (Quebec), \$554.40 (Regina), \$400.10 (London) and \$358.10 (Victoria). Year-to-date data for 2007 suggests that HRM is tracking below the national average and the target may not be reached this year. | No change |
| <i>Grow commercial tax base</i> | Attain growth averaging three percent per year over five years | The commercial tax base has grown 19% since 2004 which exceeds the target. Much of this growth can be attributed to major development projects such as Dartmouth Crossing and increased levels of commercial assessment which increased 8% in 2005 and 6% in 2006. | No change |
| <i>Set competitive commercial taxes</i> | Have competitive levels of commercial taxation | HRM benchmarks commercial tax levels against various Canadian cities, including those benchmarked in the Economic Strategy. For instance, non-residential tax per employee in 2006 was \$1,300, which was slightly above rates for St. John's and Regina and well below rates for Quebec City and Victoria. | No change |
| <i>Improve decision times for construction projects</i> | Achieve appropriate decision times for major projects that are below the average times of | HRM has only recently initiated a comparison of decision making times for planning approvals. There is insufficient data at this time to determine | No change. |

| Outcome Measure | Strategy Target | Current Trend | Recommended Action |
|--|---|---|---|
| <i>Enhance access to broadband</i> | benchmark cities within five years. Reach 100 percent access within five years | how current approval times compare to benchmark cities and the target measure. HRM's broadband initiative will result in 45 rural communities being serviced by January, 2008, resulting in 98% coverage for HRM which is on track for meeting the 5-year strategy target. | No change |
| <i>Reduce crime rates</i> | Decrease crime rate per 100,000 so it is below the average of similar Canadian cities within five years | In 2006, HRM's rate of 8,715 per 100,000 ranked below Regina (12,415) and Victoria (10,066) and above London (8,137), St. John's (6,773) and Quebec (4,931). HRP Services recently reported that violent crime is down 12.4% and property crime is down 18.7% HRM wide, so this is tracking towards the target. | No change |
| <i>Increase research and incubation space</i> | Increase research and incubation space by 100,000 sq. ft. within five years | There is no source of determining the exact amount of research and incubation space, and projections would only be based on assumptions. Therefore, this measure should be deleted from the Strategy. | Amend the Strategy to delete this measure |
| <i>Benchmark business climate</i> | Establish a comprehensive benchmarking capability within two years | Data from GHP's Smart Business program indicate that business owners feel fairly confident about HRM's business climate. | No change |
| <i>Grow employment in the Capital District</i> | Achieve growth of 1000 jobs within five years | The information needed to measure the progress towards this target will be released as Census data in 2008. As there is no other means of measuring this (on an annual basis), this measure should be deleted from the Strategy. | Amend the Strategy to delete this measure |

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