



## **COUNCIL FOCUS AREA**

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# **ECONOMIC DEVELOPMENT**

## **Background and Discussion Paper**

**January 17, 2006**

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## **INTRODUCTION**

On September 15 and 16, 2005, Council and Senior Management participated in a Priority Setting Workshop. At subsequent Committee of the Whole meetings, twelve Focus Areas were identified, one of which was Economic Development. This report provides background information on economic development programs within the municipality. This information is being submitted for consideration and/or direction by Regional Council prior to staff proceeding with the preparation of municipal business plans and budgets.

This report is organized into three sections:

- Section 1 provides some background on municipal engagement in economic development, describes how economic development programs in HRM have evolved and summarizes services currently provided to HRM by two principal agencies - the Halifax Regional Development Agency (HRDA) and the Greater Halifax Partnership (GHP).
- Section 2 describes the current context of economic development, and identifies areas of economic development that HRM Council, through its workshop, would like to see more emphasis. This section also focusses on the goals and objectives of HRM's recently adopted Economic Strategy.
- Section 3 focuses on considerations related the manner in which the Economic Strategy should be implemented and the roles that economic development agencies, such as the GHP and HRDA should play in implementing the Strategy.

## **1. ECONOMIC DEVELOPMENT - THE MUNICIPAL CONTEXT**

### **Municipal Interest in Economic Development:**

The recent adoption by Regional Council of a regional Economic Strategy provides an opportunity for economic development programs to be better coordinated and aligned with regional goals and objectives. With the adoption of a regional strategy on immigration, and the pending adoption of a Regional Plan and a Cultural Plan, HRM is uniquely poised to consider broader aspects of regional policy in determining how the Economic Strategy should be implemented and how economic development agencies, such as the Halifax Regional Development Agency (HRDA) and the Greater Halifax Partnership (GHP) should be tasked to carry out key elements of strategy implementation.

Municipal governments rely on healthy, vibrant local economies to grow their tax bases. Economic growth is usually accompanied by growth in building construction and property values which affect the bottom line in sustaining community development, municipal programs and services. Municipalities, therefore play a pivotal role in providing an environment in which economic growth is facilitated. Consequently, it is in their best interests to take measures within their mandates to grow

and maintain healthy local economies.

In furtherance of their interest in the local economy, many municipalities make use of economic development programs in order to:

- undertake community economic development projects;
- provide business counselling services to new entrepreneurs and community groups;
- retain and grow existing enterprises;
- attract new enterprise development to their areas; and
- access funding for economic initiatives from other levels of government.

Economic development programs vary by locality, local economic conditions and their degree of direct government involvement. The NS *Municipal Government Act* enables Nova Scotia municipalities to engage in various activities related to economic development. These activities generally include economic development programs which focus on attracting new businesses, retaining existing businesses and growing new businesses from within their communities.

Some municipalities develop and manage business and/or industrial parks in support of economic objectives. HRM has a very strong presence in the development of business parks and its business parks programs are a key part of the overall economic development program for the region.

The *Municipal Government Act* enables municipalities to develop their own economic development programs which may include:

- improvement, promotion of business districts, airports, waterfronts or business parks;
- grants to organizations to identify and promote business districts;
- establishment, maintenance of parking facilities;
- levying of area rates for business occupancy and commercial properties;
- solicitation, promotion and encouragement of a municipality as an attractive business location or grants to organizations who perform this on a municipality's behalf;
- preparation and dissemination of information about the municipality in order to assist institutions, industry and businesses to locate or expand in the municipality.

In HRM, economic development programs related to community economic development and business attraction, growth and retention are undertaken on behalf of the municipality by agencies with skills and interests in the field of economic development. These agencies also undertake economic development programs and activities which support economic development policies of other layers of government as well as the objectives of the local business community in general.

**Indirect Economic Development Activities:**

In addition to engaging in programs directly related to economic development municipalities, by their nature, engage in other activities which affect their local economies, including:

1. Infrastructure planning and investment - Expenditures related to municipal infrastructure such

as solid waste, water and sewage treatment, highway interchanges, energy generation, business parks and major community facilities, can attract new investment in the form of business growth and community development.

2. Public policy and taxation - Public policy decisions related to such matters as solid waste management, public transit and downtown/business park development, directly impact the local economy. Property and business occupancy taxes are often cited as major determinants behind decisions by business owners to invest or remain in a community.
3. Quality of life - Municipal policies and programs related to tourism promotion, public safety, parks and recreation, culture, heritage, downtown areas and social investment are major factors in determining what makes one community more appealing than another in attracting and retaining businesses and employees. A focus of HRM's Capital District is to maintain the vitality of this area as a focus of economic activity.
4. Land use planning and development - Municipal governments engage in land use planning and development regulation in order to balance the need to accommodate economic growth with the need to make effective use of municipal services while considering community values and interests. The proposed Regional Plan seeks to achieve this balance through municipal growth and economic objectives.
5. Procurement of goods and services - Municipal governments provide employment, construct and maintain facilities and purchase local goods and services. The larger the municipality, the greater its impact tends to be on the local economy in the form of economic spin-offs.

#### **Emergence of Regional Development Agencies:**

In the early to mid-1990's, there were a number of economic development organizations operating in the province. Most of these served to promote community and economic development and industrial parks. Rather than funding each organization, the Province developed a coordinated approach which led to the creation of umbrella regional development agencies (RDA's). These agencies were mandated to work within their respective communities to develop strategic plans and utilize community resources to foster business and community economic development.

On the basis of the new provincial framework, the former Halifax County commenced a process to consult with its various communities and organizations and as a result, the Halifax Regional Development Agency (HRDA) was formed. At about the same time, the Halifax and Dartmouth Chambers of Commerce and the Bedford Board of Trade amalgamated, and with support from the former municipal units, facilitated the establishment of a metro RDA which became the Greater Halifax Partnership (GHP). The formation of both organizations was agreed to by the Province and the respective municipal units just prior to the 1996 municipal amalgamation.

Both the HRDA and GHP were established as non-profit organizations accountable to independent

Boards with membership from the broader community, the municipality and federal and provincial governments. Initial funding was provided by the federal and provincial governments under a five-year Economic Diversification Agreement which allocated \$200,000 annually to each RDA to be matched by a minimum of \$100,000 from their respective municipalities.

In the case of the two HRM organizations, the municipality provided initial funding of \$900,000 to the GHP and \$275,000 to the HRDA. Municipal contributions were established primarily on what the previous municipal units spent on economic development and industrial commissions. There have been no substantial increases in municipal funding provided to the two organizations since their initial formation.

One of the principles behind the establishment of RDA's is that they are to reflect the aspirations of their respective communities and be responsive to their needs. Consequently, the HRDA and the GHP are distinct from one another and have their own approaches to promoting economic development:

1. The GHP, based initially on private sector participation within the centralized urban area, was established as a private-public partnership led by the private sector and the three levels of government. Its mission is to promote Greater Halifax by advancing economic initiatives aimed at retaining and growing existing businesses and attracting new businesses looking to expand or relocate their operations. The GHP represents the promotional arm of the greater business community, encouraging business to talk to business, institutions and government to foster economic growth. The GHP encourages private sector investment and is able to leverage public sector investment to such an extent that HRM's private sector invests more in economic development, on a per capita basis, than any other municipality in North America.
2. The HRDA, based initially in rural and suburban areas, works in diverse economic areas which typically rely on natural resources, community development and smaller business development to foster economic growth. It focuses on citizen-led, community economic development by forging relationships with non-profit community organizations and new entrepreneurs. The HRDA is a tripartite organization (federal, provincial, municipal) that leverages public sector funding in achieving community objectives related to local business growth and economic development.

The GHP and HRDA were initially established with an urban and rural/suburban focus, respectively. Consequently, economic development programs provided by HRDA do not extend to economically-challenged inner-city communities and the GHP tends to focus its retention, growth and attraction efforts in urban areas having the highest concentration of businesses. The adoption of a regional economic strategy provides an opportunity to consider the respective mandates of the two agencies in determining how HRM can engage them in implementing the Economic Strategy.

**Council Views Respecting Economic Development:**

During Council's workshop, various views were expressed on the subject of economic development, suggesting there is a high degree of interest by Council in the state of the local economy and the

manner in which economic development programs in the region are undertaken. Through its workshop, Council expressed a desire to:

- take better advantage of opportunities presented by the region's workforce and location;
- pursue opportunities for extensive raw material extracting & processing;
- provide additional support for agriculture & aqua-culture activities, and
- share port facilities and opportunities.

Additionally, Council has expressed interest in:

- promoting the region as a tourism destination to a greater degree;
- expanding convention space;
- developing an environmental park in Burnside;
- streamlining municipal business practices and municipal regulations in order to facilitate business growth;
- preparing a regional strategy for business parks; and
- developing a strategy with the Province on hosting of major events.

Most of the matters raised by Council at the workshop either relate directly to the Economic Strategy or are within the mandate of one of the two economic development organizations funded to undertake economic development programs.

**Economic Development Programs Currently Funded by HRM:**

Economic programs currently undertaken by the GHP and HRDA on behalf of HRM are defined under formalized service agreements which the municipality has with each of these organizations. These programs are in addition to activities associated with business park promotion and development, the Capital District or business improvement districts and associations.

While HRM has representation on the respective Boards of the GHP and HRDA, it did not formalize its expectations of either organization for the funding it provides until service agreements for both organizations were negotiated and approved by Regional Council in 2001. The service agreements provide for greater levels of accountability by clarifying roles and responsibilities, key economic strategies and include performance measures and desired outcomes and deliverables.

In respect to the \$900,000 provided to the GHP for business retention, expansion and attraction, the GHP, through its service agreement, is committed to focussing on three strategic objectives:

- expanding the Greater Halifax economy by strengthening business sectors, working to remove barriers to business, improving business infrastructure, encouraging private sector investment and leading economic policy development and business advice across government;
- increasing foreign and domestic investment in Greater Halifax by marketing the region as a preferred North American business location to leading Canadian and international corporations; and

- increasing Greater Halifax's share of the global export market by expanding the number of small and medium sized businesses exporting goods and services, building investment partnerships in key and emerging markets and by developing a dynamic business culture in Greater Halifax.

In respect to the \$275,000 provided to the HRDA for community economic development, the HRDA, through its service agreement, is committed to:

- facilitating job creation and better quality employment opportunities by supporting enterprise development and expansion in traditional and emerging sectors and markets;
- reducing economic and social disparity for marginalised groups and communities through outreach and by addressing employability issues at the community and regional levels;
- fostering community-based economic planning and development initiatives through partnerships and best practices; and
- achieving and maintaining organizational excellence by retaining and developing effective, committed Board members and staff through an ongoing human resource development strategy.

The service agreements for both the GHP and the HRDA include performance measures for each organization and provide for periodic assessment and regular progress reports to Council on the status of major initiatives. Both organizations have performed in accordance with the terms and conditions of their respective service agreements.

In 2003/04, a comprehensive review of the GHP and HRDA was undertaken by the Municipality and its federal and provincial counterparts in economic development. The review found that both organizations generally provide "good" value for the public monies spent on economic development activities. It has been difficult to determine "best" value based on the policy framework in which these agencies have functioned in the past. It was found that further clarity of roles and relationships, including HRM's, would be beneficial and that clear targets, action plans and accountabilities could best be articulated through a region-wide economic strategy.

The initial service agreements, based on a three year term, expired in 2004. Rather than negotiating new agreements:

- HRM extended the initial agreements on an annual basis and in March, 2005, extended them pending completion of an Economic Strategy.
- In September, 2005, Regional Council gave notice to terminate the current service agreements and directed staff to negotiate new ones that focus on supporting the Economic Strategy.
- Both the HRDA and the GHP have submitted draft proposals to take either a lead or supporting role in many of the priority actions identified in the Economic Strategy.

It should be noted that, although the HRDA and GHP play key roles in encouraging business growth and promoting economic development, they are among many organizations that are engaged in economic development activities either directly or indirectly in HRM. The Economic Strategy seeks

to improve levels of collaboration, interdependency and partnerships among the various players in the field of economic development.

## **2. HRM's ECONOMIC STRATEGY**

### **Vision, Goals and Priorities:**

In late 2005, Regional Council adopted a regional Economic Strategy which identifies a number of actions which should be undertaken over the next five years in order to achieve long term economic growth and prosperity. The new Strategy was developed through a private-public, community-based process, producing a strategic policy tool to guide future actions and decision-making respecting economic development within HRM.

The Strategy stemmed from a need to better coordinate economic development activities within the region and align regional economic development objectives with the goals and objectives of HRM's proposed Regional Plan. It was initiated through an Economic Summit held in late 2004, and is the result of a broadly based consultation and volunteer efforts of an advisory committee and work teams having broad representation by many of the organizations involved in economic development.

The goals, objectives and priorities identified in the Economic Strategy support the following vision:

*"Our people are our community. We will improve the lives of every citizen by building a prosperous, dynamic, globally competitive economy where creativity and risk-taking can flourish alongside a quality of life that is the envy of the world."*

The various actions and initiatives which need to be implemented over the next five years fall under five broad economic themes expressed in the form of the following objectives:

1. *Supercharge Our Labour Force:* "To further development of a bustling job market which will encourage young and ambitious people to remain here and make our community a magnet for highly trained immigrants and expatriates"
2. *Leverage Our Creative Community:* "To invest in social and cultural infrastructure which will enhance HRM's persona as one of the most vibrant and unique communities in North America"
3. *Create a Gung-Ho Climate:* "To foster development of the best business climate in Canada, one able to kick-start and grow ambitious new enterprises and attract exciting companies from anywhere in the world"
4. *Capitalize On Our Reputation:* "To build on HRM's reputation as a beautiful, immensely liveable place that teems with history and creativity as a means to draw top-drawer companies and people to our community"



5. *Convert Rivalries Into Partnerships*: “To foster economic partnerships which will work in sync to propel our economy forward in a way that improves the quality of life for every citizen.”

Development of an appropriate means of implementing the Economic Strategy is critical to ensuring that the vision, goals and objectives of the Strategy are realized. In determining an appropriate means of implementing the Strategy, it is important to acknowledge that the responsibility for implementation does not rest with any one individual organization. Consequently, the respective roles of HRM, the GHP, the RDA and other organizations in carrying out key aspects of the Strategy should be considered as well as guiding principles set out in the Strategy itself.

### **3. STRATEGY IMPLEMENTATION - CONSIDERATIONS**

#### **Priority Actions and Guiding Principles:**

The Economic Strategy identifies a total of ninety-four individual actions which must be implemented in order to meet its goals and objectives. Approximately seventy of these are currently underway, but many could benefit from a more coordinated approach and direct tie-in to the Economic Strategy.

Of the ninety-four individual strategies, a total of eleven have been identified as priority action items to be undertaken upon adoption of the Economic Strategy. These eleven priority actions are intended to respond to current challenges, make better use of existing resources and programs and enable other aspects of the Strategy to be implemented more smoothly.

The Economic Strategy does not include an implementation plan but provides general guidance in respect to its implementation. It recognizes that no single organization can be responsible for its implementation. Instead, it emphasizes the need to build on partnerships and in taking a collaborative approach to its implementation in accordance with the following principles:

- avoid creating new layers of bureaucracy;
- make use of existing structures and create new ones only as a last resort;
- eliminate duplication;
- develop networks and partnerships; and
- build on current public-private approaches to economic development.

#### **Roles and Responsibilities:**

In considering the action items identified in the Economic Strategy, it is evident that HRM, as a municipal government, has the mandate and responsibility to implement some of these. In fact, many of the Strategy actions to be carried out by HRM fall under the indirect category of economic development associated with the business of local government. For example, the municipality is in the best position to establish maintenance standards in the Capital District, implement the Regional Plan, fast-track social investment projects and ensure infrastructure investment, tax and regulatory processes are in line with competing municipalities.

Of the ninety-four strategy initiatives, approximately thirty, including four of eleven priority actions,

fall within HRM's authority and mandate to address as part of its internal operations. Many of these actions are currently underway, but do not necessarily tie into the Economic Strategy. An implementation plan should provide some means by which municipal activities associated with the outcomes of the Economic Strategy can be tracked and linked to desired outcomes of the Economic Strategy.

In respect to activities directly related to economic development, HRM has the ability to ensure that its funding to GHP and HRDA, through their respective service agreements, is utilized in a manner that best supports implementation of the Economic Strategy. For example, the municipality could request that either the RDA or GHP take a lead role in implementing certain priorities identified in the Strategy either as part of their core service programs or as new projects. To date, both agencies have submitted proposals to implement certain aspects of the Economic Strategy within their respective areas of interest.

Finally, there are aspects of the Economic Strategy that are neither within the municipality's area of authority nor within the mandate of organizations under agreement to provide economic development. Actions associated with assessing labour skills, training needs or developing export business markets depend on partnering with other levels of government and other agencies delivering economic development programs. A structure or process in which these important aspects of strategy implementation can be considered and appropriate strategies advanced, needs to be established.

Successful implementation of HRM's Economic Strategy will depend on the cooperation of all agencies, organizations and stakeholders currently engaged in providing economic development services and programs. As a representative of the interests of overall community, a maker of public policy and a major employer in the region, HRM has a significant role to play in implementing the Economic Strategy.

**Implementation Structure and Resources:**

Implementation of the Economic Strategy will require:

- an entity to oversee the overall implementation and report on the status of progress made;
- resources in providing analysis, updates on initiatives and secretariat to the oversight function;
- ongoing project management and coordination of various activities related to the Strategy;
- clarification of the municipal role in implementing Strategy elements and coordination of municipal initiatives within the context of the Strategy;
- clarification of current GHP and HRDA roles in carrying out key Strategy elements; and
- an appropriate means to measure progress in achieving the Strategy's goals and objectives.

Both the GHP and HRDA were requested to prepare and submit proposals outlining how each would support implementation of the Economic Strategy within their respective areas of interest, expertise and mandate. In response, the GHP:

- proposes to take a lead role in thirty-three activities, including four priority actions and provide support to twenty-eight other initiatives;
- indicates that, while some elements of the Economic Strategy are within its mandate and can be

carried out under the terms of its existing service agreement with HRM, other elements will require additional funding beyond that currently provided pursuant to terms of a new service agreement.

The HRDA:

- proposes to take a lead role in eighteen activities and provide support to twenty-one other initiatives;
- indicates that, although many actions recommended by the Strategy are part of its core services, others will require additional funding and/or resources pursuant to a new service agreement.

Both the GHP and RDA have identified specific areas where each would lead individual initiatives. In some instances, both organizations propose to lead the same initiative which suggests the need of further consultation in order to align their respective functions with the Economic Strategy. Additionally, both organizations have offered recommendations in respect to establishing an overall structure for implementing the Strategy. The GHP favours the use of its Board to lead the overall implementation and to lead in the “alignment of strategic intent” priority action. The HRDA has expressed interest in participating, either through its Board or staff on any advisory, steering or working group established to oversee implementation of the Strategy.

Attachment A of this report identifies various options which should be considered as part of an implementation plan for the Economic Strategy. Various implications associated with each implementation option are also identified. This information is provided in order to:

- facilitate discussion by Regional Council of options being considered in respect to Strategy implementation; and
- provide some basis for engaging the GHP, HRDA and other funding partners in further discussion respecting implementation.

#### **Guiding Principles - New Service Agreements:**

Based on the information presented, it is apparent that further consultation among HRM, federal and provincial funding agencies such as ACOA and OED, the Chamber of Commerce and the GHP and HRDA is needed before staff can make specific recommendations to Regional Council on an appropriate course of action in respect to an implementation structure for the Economic Strategy and for new service agreements with the GHP and HRDA. It would be staff's intention to initiate discussions with other government funding agencies and the HRDA and GHP in order to:

- achieve common understanding of priorities and expectations of government funding organizations and the conditions under which new service agreements would be prepared;
- develop key principles around roles and responsibilities of the respective agencies and around alignment with the Economic Strategy; and
- identify priority areas of the Economic Strategy in which a more focussed, strategic approach to funding and collaboration may be warranted in achieving outcomes of common benefit.

In preparing for further stakeholder consultations on the subject of new service agreements, the following guiding principles are offered for Council's consideration and possible response:

- Retain support for two distinct economic development organizations with distinct focus in order to provide a comprehensive and holistic economic development program overall within HRM; while encouraging more collaboration between the two agencies;
- Seek to bridge urban/rural gaps in terms of program coverage - i.e. extend HRDA community economic scope to include inner-city areas, GHP focus could include rural tourism promotion, agricultural and aqua-culture pursuits;
- Take a tripartite approach to the review and renewal of service agreements through more collaboration among ACOA, OED and HRM in order to establish clear expectations, coordinate funding approaches and align funded programs and projects with the Economic Strategy;
- Develop a clearer definition of "community economic development" in order to avoid any potential for overlap with municipal "community development" or "community planning" activities;
- Encourage more collaboration between the two organizations and sharing of resources, information and best practices with other economic development organizations;
- Encourage and support joint GHP and HRDA activities, i.e. cross-membership on boards; mutual understanding of each other's business plans; information sharing, joint projects, presentations to funding agencies;
- Encourage more business representation on RDA Board, encourage more community representation on GHP Board;
- Maintain current funding levels for core economic development programs, consider additional funding for projects based on Economic Strategy priorities and pre-determined criteria;
- Provide for transition to new service agreements and Economic Strategy either by extending existing agreements or provisions in new service agreements in order to accommodate realignment of staff and program functions under new agreements.

**Conclusion:**

This report is intended to provide information and context to Regional Council in discussing the Economic Development focus area. Any direction that Council may wish to provide to staff on such matters as:

- the municipal role in economic development-related activities;
- an appropriate implementation structure in support of the Economic Strategy;
- funding provided to economic development organizations;

- economic priorities requiring specific focus in forthcoming service agreements;
  - guiding principles for new service agreements with the GHP and HRDA; or
  - the respective roles of the GHP and HRDA in economic development activities,
- would be beneficial in undertaking additional consultation with economic service providers and other funding agencies, developing an implementation plan for the Economic Strategy and in preparing new service agreements with the GHP and HRDA for future consideration and action by Council.

**Attachment A - Considerations Respecting Strategy Implementation**

<u>ISSUE</u>	<u>OPTIONS</u>	<u>IMPLICATIONS, PROS/CONS</u>
<p><b>1: Strategy Oversight Function</b></p> <p>There is a need to establish an oversight/steering function as part of the Economic Strategy implementation and to lead in the development of an annual outcome report to the community.</p>	<p><b>Option A:</b> Establish an Advisory Committee, comprised of:</p> <ul style="list-style-type: none"> <li>• Chair from each of 5 Strategy themes;</li> <li>• federal/provincial leads;</li> <li>• CAO, HRM and Council representative;</li> <li>• Chairs, GHP and RDA and senior staff;</li> <li>• Committee would meet quarterly and report to CAO or Council.</li> </ul> <p><b>Option B:</b> Council or a committee of Council could oversee implementation.</p> <p><b>Option C:</b> Task existing or augmented GHP Board to:</p> <ul style="list-style-type: none"> <li>• oversee implementation of Strategy;</li> <li>• report to CAO or Council</li> <li>• develop annual outcome report to community</li> </ul> <p><b>Option D:</b> Establish a Steering Committee comprised of:</p> <ul style="list-style-type: none"> <li>• Chairs of GHP and HRDA Boards</li> <li>• Federal, provincial representatives</li> <li>• Chamber of Commerce representative</li> <li>• Universities representative</li> <li>• Others as determined</li> </ul>	<ul style="list-style-type: none"> <li>• Creates a new layer/structure - Economic Strategy recommends use of existing structures for implementation.</li> <li>• More representative of community and 5 theme areas.</li> <li>• Can be also be mandated to advise Council on other matters (ie. service agreements with GHP and RDA).</li> <li>• Creates a new layer, may or may not be representative of business interests.</li> <li>• Avoids creation of a new layer/structure.</li> <li>• Perception of conflict between the interest of GHP and the interest of the Economic Strategy.</li> <li>• Less community representation (ie. RDA)</li> <li>• Less ability for Council to direct the economic agenda.</li> <li>• Additional layer</li> <li>• Implications depend on option identified.</li> </ul>

<u>ISSUE</u>	<u>OPTIONS</u>	<u>IMPLICATIONS, PROS/CONS</u>
<p><b>2: <u>Support to Oversight &amp; Implementation</u></b></p> <p>A need to create a structure which provides research, analysis and project management capability, along with secretariat support, to the oversight entity as well as coordination of ongoing activities and updates to Regional Council.</p>	<p><b>Option A:</b> Establish 5 Work Groups, based on economic themes. The Chair* of each would:</p> <ul style="list-style-type: none"> <li>• implement action items;</li> <li>• pull together relevant organizations;</li> <li>• report to Advisory Committee, Council</li> <li>• determine requirements re: secretariat, research for work group</li> </ul> <p>*Chair could be a business leader not directly related to a specific theme, or a key stakeholder in a theme area.</p> <p><b>Option B:</b> Establish 1 Work Group, with staff from Chamber, ACOA, OED, BIDC, RDA, GHP, HRM, etc to:</p> <ul style="list-style-type: none"> <li>• provide secretariat support to Advisory Committee;</li> <li>• lead research, analysis, project planning across all 5 economic themes;</li> <li>• coordinate activities already underway in 5 economic themes</li> </ul> <p><b>Option C:</b></p> <ul style="list-style-type: none"> <li>• Hybrid combination of A&amp;B or other option.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional layer/structure - there are already groups engaged in various activities which could be tasked.</li> <li>• Significant volunteer commitment on part of Chair, group members.</li> <li>• Some potential for overlap among 5 theme areas without careful coordination.</li> <li>• More onus on community to coordinate, carry out implementation activities.</li> </ul> <ul style="list-style-type: none"> <li>• No additional structure - group works together now, though informally</li> <li>• Requires less volunteer commitment</li> <li>• Relies on staff vs. volunteers to coordinate work in 5 theme areas</li> <li>• Groups already engaged in activities would be coordinated by Work Group</li> <li>• More responsibility to provide direct support to Advisory Committee</li> <li>• Implications depend on option chosen.</li> </ul>

ISSUE	OPTIONS	IMPLICATIONS, PROS/CONS
<p><b>3. <u>Commitment &amp; Buy-in</u></b></p> <p>A need to secure commitment and buy-in from economic partners, agencies, groups and organizations presently engaged in activities related to economic development.</p>	<p><b><u>Option A:</u></b> Hold an annual workshop in which:</p> <ul style="list-style-type: none"> <li>• results of action items are presented</li> <li>• new ideas presented, discussed</li> <li>• opportunity for feedback provided</li> </ul> <p><b><u>Option B:</u></b></p> <ul style="list-style-type: none"> <li>• Hold an informal event with politicians from all levels of government</li> </ul> <p><b><u>Option C:</u></b></p> <ul style="list-style-type: none"> <li>• Invite key stakeholders in relevant theme areas to review progress on regular basis</li> </ul> <p><b><u>Option D:</u></b></p> <ul style="list-style-type: none"> <li>• Prepare an annual economic report card based on measured outcomes as identified in strategy, communicate results at public event or Council</li> </ul> <p><b><u>Option E:</u></b></p> <ul style="list-style-type: none"> <li>• Combination of two or more of the above.</li> </ul>	<ul style="list-style-type: none"> <li>• Requires financial support in order to prepare for and hold</li> <li>• Could be convened by Chamber</li> <li>• Less transparent and open than Option A.</li> <li>• Less transparent, open than Options A, B.</li> <li>• Could be undertaken by Chamber, university group.</li> <li>• All four options have merit &amp; implications.</li> </ul>
<p><b>4. <u>Funding of Economic Development</u></b></p> <p>Both the GHP, RDA are seeking additional funding in order to carry out activities within their respective areas of interest relative to Economic Strategy implementation.</p>	<p><b><u>Option A:</u></b></p> <ul style="list-style-type: none"> <li>• Maintain current funding levels, evaluate core programs, align these with Strategy.</li> </ul> <p><b><u>Option B:</u></b></p> <ul style="list-style-type: none"> <li>• Increase core funding to allow additional function over/above existing levels</li> </ul> <p><b><u>Option C:</u></b></p> <ul style="list-style-type: none"> <li>• Distinguish core funding of strategy goals from project funding of strategy goals, consider separate funding</li> </ul>	<ul style="list-style-type: none"> <li>• Tap into other agencies for support (time and/or money)</li> <li>• Decrease funding to activities not directly related to strategy</li> <li>• Increase funding from municipal tax base</li> <li>• Provide core funding as part of service agreements, consider additional project funding based on set criteria</li> </ul>



ISSUE	OPTIONS	IMPLICATIONS, PROS/CONS
<p><b>5. New Service Agreements, RDA, GHP</b></p> <p>HRM's service agreements with the RDA and GHP are slated for renewal. Draft business plans, budgets are to be submitted to government funding sources by end of January. New agreements should align with the Economic Strategy.</p>	<p><b>Option A:</b></p> <ul style="list-style-type: none"> <li>Develop principles under which new service agreements would be prepared</li> <li>Hold workshop with GHP, RDA, ACOA, NSOED to:               <ul style="list-style-type: none"> <li>- agree on principles</li> <li>- provide context</li> <li>- share GHP/RDA interests</li> </ul> </li> <li>Request GHP, RDA to meet together to determine areas of focus and means to work together</li> </ul> <p><b>Option B:</b></p> <ul style="list-style-type: none"> <li>Prepare new service agreements based on work plans and budgets submitted by GHP and RDA.</li> </ul> <p><b>Option C:</b></p> <ul style="list-style-type: none"> <li>Extend existing service agreements as a transition to new, longer term agreements, subject to finalizing implementation structure.</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to be completed by end of January</li> <li>Possible need for extension beyond April 1, 2006</li> <li>Period of transition period to June 1 may be possible</li> </ul> <ul style="list-style-type: none"> <li>Risk of overlap/duplication - both plans were prepared individually.</li> <li>May not result in best fit with Economic Strategy re: region-wide coverage by both agencies</li> <li>Existing service agreements do not reflect the new Economic Strategy priorities</li> </ul>

<u>ISSUE</u>	<u>OPTIONS</u>	<u>IMPLICATIONS, PROS/CONS</u>
<p><b>6. HRM Implementation Role</b></p> <p>The Economic Strategy identifies municipal responsibility in 4 of 11 priority actions and approximately 30 individual actions. There is a need to prioritize and undertake implementation of these action items.</p>	<p><b>Option A:</b></p> <ul style="list-style-type: none"> <li>Focus on strategy coordination with first priority to establish implementation structure, align resources, develop service agreements</li> </ul> <p><b>Option B:</b></p> <p>Work on business climate as it relates to municipal government, beginning with:</p> <ul style="list-style-type: none"> <li>competitive tax rates, BOT issues</li> <li>development/planning approvals</li> <li>business parks</li> <li>infrastructure</li> </ul> <p><b>Option C:</b></p> <p>Focus on implementation based on Regional Plan objectives re:</p> <ul style="list-style-type: none"> <li>development of employment centres</li> <li>improved transit service</li> <li>regional transportation planning</li> <li>rural enhancement initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Municipal implementation would be undertaken within, and part of, any new implementation structure</li> <li>Initial focus of municipal implementation would be on specific priorities</li> <li>Additional areas of focus to be reviewed and determined on annual basis</li> <li>Coordinate implementation plan with Regional Plan implementation.</li> </ul>