

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. **9.1.1**

Community Planning and Economic Development Committee
June 12, 2014

TO: Chair and Members of Community Planning and Economic Development
Committee

SUBMITTED BY: Original Signed by _____
Richard Butts, Chief Administrative Office

DATE: 6 June 2014

SUBJECT: Economic Strategy Year End Update

ORIGIN

March 22, 2011: MOVED by Councillor Nicoll, seconded by Councillor Streach that Halifax Regional Council endorse the 2011-2016 Economic Strategy for Halifax Regional Municipality. Motion put and passed.

June 25, 2013: MOVED by Councillor Nicoll, seconded by Councillor Karsten that Halifax Regional Council endorse the proposed updates to the actions under the 2011-2016 Economic Strategy as outlined in the May 24, 2013 staff report.

LEGISLATIVE AUTHORITY

The Halifax Regional Municipality Charter 2008, c. 39, s. 1. permits the Municipality to undertake a variety of economic development activities.

RECOMMENDATION

It is recommended that the Community Planning and Economic Development committee receive this report and forward to Regional Council for information.

BACKGROUND

Economic Development

Economic development is a policy intervention which aims to increase the economic and social well-being of people. Actions to promote economic growth include development or enhancement of human capital, infrastructure, trade, competitiveness, environmental sustainability, social inclusion, health, safety, literacy and other initiatives.

Halifax can support economic development by facilitating a climate for growth, direct support of initiatives to promote growth, or through collaboration with other organizations promoting economic growth.

The Greater Halifax Partnership (GHP) presented to the Community Planning and Economic Development committee (CPED) in February 2013 three fundamental economic growth objectives: (1) to grow the population; (2) to grow the number of good jobs; and (3) to grow the commercial tax base. Halifax's economic development strategy seeks to marshal the municipality's resources and external resources to achieve those three objectives.

Economic Strategy

In March 2011, Regional Council endorsed a new Economic Strategy for 2011-2016. In February 2013, the Municipal Auditor General's report Economic Development through Partnerships – A Performance Evaluation suggested that Halifax's economic development support work needed more focus. The municipality and GHP reviewed the strategy and significantly tightened up the strategy implementation activities. The updated Strategy can be read [here](#).

Economic Highlights - 2013

- The Halifax Index was released at the annual State of the Economy event on May 22, 2014, and provides a thorough picture of the Halifax economy and economic progress over the past year.
- 2013 was a year of moderate but improved growth for the Halifax economy, supported by significant apartment construction and major project activity, but slowed by disrupted natural gas exports and softness in the labour and housing markets.
- GDP grew by 1.9% to \$18.1 billion (2007 chained dollars) keeping pace with the national average.
- After a record and exceptional 2012 the value of building permits in 2013 dropped to \$641 million from \$922 million.
- Almost exclusively full-time employment gains reversed the post-recession trend toward part-time employment growth but relatively faster growth in the labour force resulted in a slightly increased unemployment rate.
- Youth employment declined in 2013 though full-time employment among youth made strong gains.
- Additional highlights of changes in population, employment and commercial tax base changes from 2012 to 2013 are noted below.

		2012	2013	% Change	Canada 2013	Canada % Change Over 2012
Population	Population	406,903	408,702	+ 0.4	35,105,086	+1.2
Employment						
	Employment (thousands)	225.1	227.3	+ 1.0	17,729.6	+1.3
	Full time employment (thousands)	182.5	184.1	+ 0.9	14,385.3	+1.2
	Unemployment rate	6.1%	6.6%	+ 0.5	7.1%	-0.2
	Participation rate	69.8%	70.0 %	+ 0.2	66.5%	-0.2
	Youth unemployment rate	12.6%	15.3%	+2.7	13.7%	-0.7
Commercial tax base	Commercial tax base	\$6.2 billion	\$6.6 billion	+ 6.4		

DISCUSSION

Economic Strategy Implementation

Attachment 1 provides Status Updates on the 48 Actions planned for Years 3-5 to achieve the 5 goals of the Economic Strategy.

- Regional Centre – Build a vibrant and attractive Regional Centre that attracts \$1.5B of private investment and 8,000 more residents by 2016
- Business Climate – Promote a business climate that drives and sustains growth by improving competitiveness and by leveraging our strengths
- Talent – Create a welcoming community where the world’s talent can find great opportunities, engaged employers and resources for advancement
- International Brand – Create a unique international city brand for Halifax.
- Maximize Growth Opportunities – Capitalize on our best opportunities for economic growth.

In the period under review work has continued on the various activities in the strategy.

Noteworthy work includes:

- Regional Centre
 - Halifax Regional Council endorsed a project list and authorized staff to negotiate with the federal and provincial governments on a \$50m intergovernmental capital improvement fund.
 - The province proclaimed Bill 83 allowing Density Bonusing and Site Plan Approval.
 - A plan for the demolition and redevelopment of the Cogswell Lands was completed and is under review.
- Business Climate
 - GHP continues to market and promote Halifax as a location of choice for businesses.
 - Over the 2013/2014 year GHP’s Smart Business Business Retention and Expansion program saw GHP conduct 200 business retention visits and almost 450 referrals to partner organizations. The program enabled 11 retentions, 21 expansions and 76+ jobs created or retained.

- Talent
 - The African Nova Scotian Affairs Integration Office hosted 4 seasonal employment information workshops for African Nova Scotian Youth.
 - The Connector program, a referral process that helps immigrants, international students and young and emerging talent build a professional network, and connect with job opportunities, saw the following success in 2013/2014:
 - 121 new business leader Connectors
 - 101 Immigrant participants
 - 283 young emerging talent participants (104 YETs, 103 International Students and 76 YET Speed Interview participants)
 - 185 participants finding jobs since April 1st (Significant increase this quarter as a result of surveying past participants)
- International Brand
 - Extensive public engagement and stakeholder consultation continued on the development of a new brand for HRM.
- Maximize Growth Opportunities
 - Round one of GHP's Business Leaders' Roundtable Program recently wrapped up with a total of 15 business leaders in two groups meeting regularly to support one another in expanding export sales and commercializing innovative products or processes.
 - The brand for the new Halifax Convention Centre and the 16 events booked into the new facility were announced in January.
 - GHP substantially completed a Regional and Head Office attraction and retention strategy. The final report was released on April 14th. Go to:
 - Final Report: <http://bit.ly/1icKc8v>
 - Infographic: <http://bit.ly/1f21UKY>
 - HRO Value Proposition: <http://bit.ly/Pr7M4t>
 - GHP continues to have ongoing collaboration with Nova Scotia Business Incorporated (NSBI) and other partners to attract and retain business investment. This collaboration saw:
 - 38 prospect companies shortlist Halifax for their investment.
 - 6 Companies who have successfully opened an operation and hired at least 1 employee in Halifax.

2014 also saw the release of the report of the Nova Scotia Commission on Building Our New Economy led by Ray Ivany. The report, called Now or Never: An Urgent Call to Action for Nova Scotians, articulated the primary challenges facing the Nova Scotia economy, identified goals that Nova Scotia should aspire to over the next ten years and spoke to "game changers" or changes needed in order to work differently than we have in the past to achieve these goals. Staff are reviewing the best approach for Halifax to take to help make Nova Scotia a more economically successful and sustainable province.

FINANCIAL IMPLICATIONS

This report updates activities undertaken by HRM staff and GHP to implement the Economic Strategy and by GHP to fulfill the requirements of its Service Level Agreement. There are no financial implications arising from this report.

COMMUNITY ENGAGEMENT

There was no community engagement in the preparation of this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications to this report.

ALTERNATIVES

1. The Community Planning and Economic Development committee may request changes to the type of information included in the report.

ATTACHMENTS

Attachment 1 – A Greater Halifax – Economic Strategy 2011-2016: Actions for 2013 to 2016 – 2013/2014 Update – Q4

Attachment 2 - SmartBusiness Report: April 2013 – March 2014

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Maggie MacDonald, Senior Advisor Economic Policy and Development, 490-1742

Original Signed by

Report Approved by:

Maggie MacDonald, Senior Advisor Economic Policy and Development, 490-1742
