


**INFORMATION ITEM 1**

**Community Planning & Economic Development  
August 9, 2012**

**TO:** Chair and Members of Community Planning & Economic Development

**SUBMITTED BY:**   
Chris Bryant, Acting Managing Director  
Government Relations & External Affairs

**DATE:** July 23, 2012

**SUBJECT:** **2012/2013 Economic Strategy & the Greater Halifax Partnership's  
First Quarter Service Level Agreement Status Update**

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**INFORMATION REPORT**

**ORIGIN**

1. October 18, 2005, endorsement by Regional Council of a Regional Economic Strategy for 2005-2010.
2. On June 19, 2007, Regional Council authorized a service level agreement with the Greater Halifax Partnership with a term and deliverables coinciding with the 2005-2010 Economic Strategy.
3. On March 22, 2011, Regional Council endorsed a new Economic Strategy for 2011-2016
4. On April 3, 2012, Regional Council approved the 2012-2013 Operating and Projects Budgets. The Operating Budget includes an allocation of \$1.4 million for an operating grant to the Greater Halifax Partnership to support the service level agreement activities.
5. On May 29, 2012, Regional Council approved a Collateral Agreement to the 2011-2012 Service Level Agreement with the Greater Halifax Partnership which specifies key deliverables, measures and anticipated costs between April 1, 2012 and March 31, 2013

## **BACKGROUND**

The Greater Halifax Partnership (GHP) is the lead economic development organization for Halifax. GHP is a private-public, economic development agency funded by Halifax Regional Municipality, the Province of Nova Scotia, Atlantic Canada Opportunities Agency (ACOA) and over 130 private sector investors. Funding from government partners is primarily in the form of annual grants that support the Partnership's operations. The Province and ACOA provide core funding to GHP's Regional Development Agency, which was established by Ministerial Order pursuant to the *Regional Communities Development Act*. Funding from business investors is in the form of cash and cash equivalent (e.g. local media advertising, meeting space in local hotels, consulting services provided by local firms, etc.). GHP generates revenue through various projects funded by government and non-government sources. The Municipality is the largest single funding partner, contributing about half of GHP's core operational funding. HRM funding in the amount of \$1.4 million is provided through a service level agreement (SLA), which describes a number of deliverables and associated indicators to measure success. The most substantial deliverable in the SLA is implementation of the 2011-2016 Economic Strategy. The Municipality's previous economic plan, *Strategies for Success: 2005-2010*, expired in the fall of 2010. The Partnership led the review and renewal of HRM's new economic strategy and it was launched in May 2011. Other deliverables in the 2011-2013 SLA included strategic advice, community economic development services and general services. This report provides an update on the Service Level Agreement first quarter of 2012-2013.

## **DISCUSSION**

The Municipality contracts with the Partnership to provide the following services:

- Deliver a service that would otherwise be provided in-house at a higher cost;
- Leverage municipal funding to attract investment from other private and public sources;
- Provide a sustained focus on local economic development;
- Provide a "business perspective" on various aspects of strategic policy development and implementation;
- Extend the Municipality's "reach" into the business community and into business-facing programs and services offered by other levels of government; and
- Serve as an independent and objective "thought leader" in raising awareness about challenges and opportunities facing the local economy and local businesses.

### **2012-13 Q1 Update: A GREATER Halifax Economic Strategy 2011-2016**

#### **Highlights Of 2012-13 Q1 Activities**

GHP continues to lead the implementation of the 2011-2016 Economic Strategy on behalf of HRM with input of Economic Strategy Steering Committee Action Teams for each goal area. These Action Teams are comprised largely of private-sector volunteers who guide ongoing activity as they strive to achieve the goals and objectives set out in the Economic Strategy. The following notes highlight progress in each of the five goal areas. A detailed progress report is attached as Appendix "A".

**Maximize Growth Opportunities:**

- The Partnership and HRM continue to participate and provide leadership in the **Ships partnership**. Focus is now on maximizing the benefits to Halifax/our region and on further developing the skilled workforce.
- An internal HRM task force has formed to develop **initiatives** around the shipbuilding contract;
- The **1<sup>st</sup> Annual Halifax Index** was launched on May 24 to an audience of 250 business leaders and representatives from government, education and the not-for-profit sector. The Index identified the following opportunities and challenges for Halifax:
  1. the need to grow our population;
  2. the need to improve the tax and regulatory environment;
  3. the need to create a culture of partnership; and
  4. the need to grow a healthy Regional Centre.(To see the detailed Halifax Index, go to <http://bit.ly/MATYy4>.)
- The Halifax Index received positive feedback from multiple stakeholders who came forward with additional suggestions to improve the next edition;
- The Research Consortium will be expanded to inform these additional areas;
- GHP convened an Ocean Sector working group to collaborate on Oceans Week activity. The work of the group is ongoing, with plans for further developing the skilled workforce.
- **Business Retention and Expansion (BRE)** Program identified four common business issues among companies where more action is needed and under way, including:
  1. access to capital;
  2. workforce availability and quality;
  3. friendlier business climate; and
  4. opportunities for exporting.
- BRE's commercial intelligence is being shared with influential organizations, including: ACOA, HRM, NSERDT, CEED, Business Development Bank, industry associations, etc.
- **Halifax Gateway Council** has led or collaborated on seven projects, including: Transport Canada in-market event, Supply Chain Canada Event; Air Route Development Centreport proposal; cruise turnaround Interporting initiative with Thomas Cook Cda. Inc.; implementation of the Halifax Logistics Park development plan; and two business cases jointly presented with federal and provincial partners.

**Open for Business (Business Climate):**

- In collaboration with HRM Finance Department GHP is developing a **paper on the current state of taxation in Halifax**, including benchmarking against other cities, and perceptions of tax understood through SmartBusiness results and a Business Confidence survey;
- GHP is working with HRM to develop approaches for a **competitiveness review** of municipal service delivery focused on the top three issues identified through BRE (above) and undertaking activities including: review and benchmarking; process mapping; identification of unnecessary steps; with recommendations for removal due in March, 2013.
- Additional activity will depend on recommendations of the Auditor General's Review.

**Talent:**

- GHP conducted a total of 52 **BRE** visits in Q1 to educate business and provide information, resources and referrals to assist with recruitment and retention needs;
- **Immigration:** GHP increased the business community's involvement in labour marketing activity through the following:
  - **Community Identified** immigration program, with 50 inquiries and 35 letters issued, representing 82 newcomers;
  - **Connector Program** participation and results leading to:
    - 43 new business connectors, now 403;
    - 54 new participants, including 17 immigrants, 18 international students, and 19 young and emerging talent (new category added); and
    - 9 participants finding jobs in Q1, with a total of 125 to date.
  - **Employer Support Program** identified and educated 8 employers;
- GHP and HRM partnered on the 7<sup>th</sup> Annual Community BBQ with over 500 newcomers and local residents participating.
- Ongoing discussion with Office of Immigration and Labour & Advanced Education to profile the success of the Connector Program and host discussion around needed change in provincial and federal regulations.
- In Q1, GHP launched an **awareness campaign** designed to have employers **hiring young and emerging talent**. This campaign, developed and delivered in partnership with Fusion Halifax, targets hiring managers in Halifax who need to understand there is plenty of young, skilled talent ready to take on opportunities in the job market. It is currently running in print, web and out-of-home.
- GHP attended **Community Integration Network - Dialogue Forum** held to initiate conversations among partners and stakeholders interested in community integration and bringing together immigrants and Nova Scotians by using reciprocal educational and community development methods. Participants included representation from communities that included African Nova Scotian, First Nation, French, international students, local business and residents. The Community Integration Network works to further a vision of an integrated and holistic community through sustained conversations focused on how to develop promising practices building inclusive, supportive, and positive relationships between newcomers and long-time residents.
- GHP attended a **Health Care HR Sector Council** meeting to define information requirements for a website where employers and skilled workers can find information about all disciplines related to the health care sector workforce. This session, held with system development representatives, was to develop the HR navigator and access centre mode. GHP representatives provided input to the Internally Trained Healthcare Workers area of the website.
- GHP went to a meeting with the **Multicultural Association of Nova Scotia** to discuss a broadened role for the Association beyond the Multicultural Festival, and attended the Multicultural Festival kick-off event.

**International Brand:**

- International Brand underpins all five Goals of the Economic Strategy.

- In the past year, the International Brand Action Team, comprised of senior-level representatives from a diverse group of organizations, met nine times. Activities included a compilation of existing research, best practice review, a review of attributes, functional and emotional benefits, and the identification of target audiences.
- Baseline research & analysis complete. The branding team will re-convene in the fall to define its next steps/key inputs related to strategy development.

#### **Regional Centre:**

- Regional Council initiated the RP+5 Review and HRMbyDesign-Centre Plan expansion that will promote investment, increased density and affordable housing;
- SUP participants have issued an RFP to study the question “Do commercial taxes within the Regional Centre discourage business and development, and if so, what changes could be made to encourage business and development?”;
- Report expected in October, 2012 defining incentives to develop privately owned vacant land in Regional Centre;
- SUP is leading the development of a comprehensive \$50M capital improvement plan and fundraising campaign and will take an advocacy role around funding;
- RP+5 and Centre Plan expansion will meet almost all the elements of the Regional Centre activity around cultural and creative opportunities, once it is completed and implemented, and SUP will take an advocacy role in support of leading change;
- HRM is working with the Province to create a joint Opportunity Sites Task Force (OSTF) to develop vacant public land in the Regional Centre; and
- Central Library and new Convention Centre contribute to achieving the strategies to promote creation of cultural public gathering spaces and public art.

#### **2011-13 Q1 UPDATE: SERVICE LEVEL AGREEMENT (SLA)**

The business relationship between HRM and GHP has been formalized through service level agreements which have evolved over the past number of years. The agreement enables the Municipality to clearly articulate expectations and deliverables in order to ensure municipal taxpayers receive value for funding. The deliverables in the agreement are structured around the Municipality’s expectations and the Partnership’s deliverables in three strategic areas. They are:

1. **General Services:** 1.1 Budget and business planning; 1.2 Board oversight; 1.3 Reports and briefing notes; 1.4 Marketing and promotion; 1.5 Business retention and expansion; 1.7 Community economic development; 1.8 Labour market development; 1.9 Attract business investment
2. **Strategic Advice, Information and Project Leadership:** 2.1 Professional economic analysis and advisory services; 2.2 Research, data and project leadership
3. **Implementation of the 2011-2016 Economic Strategy:** 3.1 Administration of the Strategy; 3.2 Develop the Halifax Index and present the Annual State of the Economy Event; 3.3 Reduce regulatory tax and policy issues that can inhibit development and investment; 3.4 Assist Halifax in being recognized as an exciting place to live and do business; 3.5 Assist Halifax stakeholders to be innovative and work together to advance economic growth.

Substantive SLA achievements are reported below, as they relate to each Outcome area, with much of the activity outlined below in **Q1 Update: 2011-2016 Economic Strategy**, due to continued focus on achieving greater alignment of corporate planning and Economic Strategy outcomes. A detailed Q1 progress report of all activities has been submitted to the CAO's Office for review.

## **KEY HIGHLIGHTS OF 2012-13 Q1 SERVICE LEVEL AGREEMENT ACTIVITIES:**

### **General Services**

- Maintained and updated relevant economic data on the website, for briefings and presentations, the Halifax Business Case for investment, and highlighting identified growth sectors, as we strive to attract, retain and grow businesses;
- Provided community economic development support to four projects within the African Nova Scotia community;
- Hosted fourteen meetings to share information with economic development partners to ensure they are abreast of the emerging needs of business as identified through the Partnership's Business Retention and Expansion (BRE) Program's competitive intelligence;
- BRE visitations to 52 businesses in HRM, resulting in 107 referrals; 11 of those to the Nova Scotia Productivity and Innovation Program and four to trade support services;
- Engaged 43 new business leaders in the Partnership's Connector Program bringing our total to 403, and 9 participants found jobs, bringing total jobs found to 125.

### **Strategic Advice, Information and Project Leadership**

- With provincial and/or federal partners presented the Halifax Business case to two high value, high potential economic growth opportunities for Halifax
- Added three qualified leads added to the business development funnel;
- Identified two threats to local businesses or communities; and
- Responded to 19 requests for economic information from local, national, and international businesses, and an additional 65 requests from the general public.

### **Implementation of the 2011-2016 Economic Strategy**

- The Halifax Index which provided an economic profile and identified areas where more focus is required was launched on May 23;
- Held nine economic strategy-related meetings to move the plan forward;
- All goal areas and the Halifax Index updated on the Economic Strategy Web portal, go to <http://bit.ly/MATYy4>.

## **BUDGET IMPLICATIONS**

There are no budget implications as a result of this report as it is an update on 2012/13 activities undertaken by the Partnership to fulfill requirements of the 2011/13 Service Level Agreement and Year 2 of the 2011-16 Economic Strategy.

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

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

**COMMUNITY ENGAGEMENT**

There was no community engagement required for this report.

**ATTACHMENTS**

Attachment A: Detailed Progress Update: Implementation of Year One of the 2011-2016 Economic Strategy

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> 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.

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