

**Community Planning & Economic Development  
February 14, 2013**

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

Original Signed

**SUBMITTED BY:** \_\_\_\_\_  
Chris Bryant

**DATE:** January 24, 2013

**SUBJECT:** **2012/2013 Economic Strategy & the Greater Halifax Partnership's  
Second & Third 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

**LEGISLATIVE AUTHORITY**

The HRM Charter permits Council to expend money required by the municipality for the promotion and attraction of institutions, industries and businesses, the stabilization and expansion of employment opportunities and the economic development of the Municipality. Business and Industrial Development, 71(1)b

## **BACKGROUND**

The Greater Halifax Partnership (the Partnership) is the lead economic development organization for Halifax. The Partnership 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.). The Partnership generates revenue through various projects funded by government and non-government sources. The Municipality is the largest single funding partner, contributing about half of the Partnership'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 second and third 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" raising awareness about challenges and opportunities facing the local economy and local businesses.

The context in which the Partnership works is changing rapidly:

- ACOA announced it will stop providing core funding to Regional Development Authorities.
- The Province received a report from a panel reviewing RDAs. It proposes establishing six new Regional Enterprise Networks. It is not clear how the RENs will impact HRM or GHP.
- The Municipal Auditor General is preparing a report assessing the use of available resources in economic development activities and in support of economic development organizations. That report's recommendations will have an impact on the future work of GHP and HRM. HRM and the Partnership will have to respond to these changes.

## 2012-13 Q2 and Q3 Update: AGREATERHalifax Economic Strategy 2011-2016

### Highlights of 2012-13 Q2 and Q3 Activities

The Partnership 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:**

- Planning continues for both the **2nd Annual State of the Economy** conference and the release of the second Halifax Index, scheduled for May 22, 2013. The one-day conference is aimed at increasing the profile of the Halifax Index, as well as providing tangible progress towards opportunities and challenges that have emerged in 2012-13. It will be supported throughout the year by two to three Building our Future events focused on themes related to the Index.
- **Strategic Plan for the Oceans Technology Sector** - The Partnership continues to play a leading role in raising awareness around the importance of the Oceans sector to our economy. The organization continues to host meetings of the smaller targeted working group while other partners work on the development of the Ocean Industry Strategy, including a Communications Strategy and a June 6<sup>th</sup> event during Oceans Week.
- **Business Leaders' Roundtable** – The Partnership will run two programs beginning in February with 19 senior owner-executives who are coming together in two peer learning groups. The participants represent companies that are beyond the start-up stage and are opening up new export markets and/or commercializing innovative products or technical processes.
- The Partnership continues to implement its **Head Office Retention Strategy**, delivered through its Business Retention and Expansion Program. The Head and Regional Office Strategy is built on three pillars, including: Competitive Intelligence, Visitation and Action, Marketing and Engagement. On the visitation and action side, Partnership representatives meet local HRO representatives, offer assistance, discuss opportunities and issues and help break down barriers they may face. 163 head offices and 67 regional head offices have been identified as targets, for a total of 230. At the end of Q3, 21 visits have been completed making 51 the total number of companies visited to date.
- The Partnership's **Business Retention and Expansion (BRE)** Program and Research Team is a leading source of competitive intelligence and the identification of company-common issues impacting economic growth in Halifax. Cumulative results include 118 businesses visited, generating 180+ referrals to the Action Team resulting in the **retention and/or creation of 757 jobs**. Businesses identified access to capital, workforce availability/quality, friendlier business climate and opportunities for exporting as the top four business issues.
- Two successful **business development in-bound missions to Halifax** were completed in the fall by the Halifax Gateway Council (The Halifax Gateway Council is managed by the

Greater Halifax Partnership). The first in November focused on North American companies from the freight forwarding sector and media. The 2<sup>nd</sup>, also in November focused on European companies involved in air, refrigerated cargo, freight forwarding, energy and media. A third mission, focused on Asian companies is scheduled to take place in late March.

- The Partnership continues to have ongoing collaboration with NSBI and Halifax Gateway partners to attract and retain business investment. The Partnership is currently managing a business development funnel with over 20 qualified leads. GHP is currently collaborating with NSBI and other partners on 15 of those leads. Since April 1st, there have been four closes, generating 33 jobs.
- In September a Partnership staff representative participated in a trade mission, led by Premier Dexter, to **China**.
- In October the Partnership's CEO met in Calgary with members of the **Consider Canada City Alliance (formerly C11)** which is a group comprised of economic development professionals from cities across Canada who work together to attract inward investment to Canada's major cities.
- The Partnership continues to meet with BIDs Community Business Associations. One key project the Partnership is working closely with BIDs on is the development and release of the building of the Partnership's GIS platform to be formally launched in Q4.
- The Partnership has provided community economic development support to over 15 projects within the ANS community.

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

- **Open for Business:** The Partnership is working closely with HRM Staff to help create more efficient, transparent and consistent regulatory policies that will demonstrate an "Open for Business" culture within HRM. The Partnership undertook best practices research that looked at how business client services are set up in five cities that are typically regarded as being "best in practice". This report was delivered in early December. As well, the Partnership has facilitated a discussion with HRM and provincial representatives to develop a process map, using restaurant regulations as an initial focus.
- **Canadian Community Centres and Multi District Facilities** - The Partnership has also completed a research report for HRM into Canadian community centres and multi district facilities (MDF) models that discuss their applicability in the Halifax Regional Municipality (HRM).
- **Awards** -- The Partnership has received top rankings for digital marketing excellence from fDi Intelligence, a division of The Financial Times Ltd - one of the world's leading business news and information organizations. The awards recognize the efforts and campaigns of economic development organizations promoting their respective regions and supporting efforts to attract foreign direct investment.
- Over 260 people attended the Partnership's **Building our Future** event on October 18<sup>th</sup>, featuring Robert Kelly, past Chairman and CEO, Bank of New York Mellon Corporation.
- The Partnership uses social media to promote Halifax's positive attributes, business growth stories and pertinent economic information to internal and external audiences. The

organization has seen growth across all of its social media properties, including (year-to-date) 23% growth in Facebook fans, 31% growth in twitter followers and a 25% growth in LinkedIn membership.

- The Partnership is in-market with two marketing campaigns -- *Now is the Time*, designed to increase business confidence and *Hire Young Halifax* which is designed to change attitudes around hiring young and emerging talent.

### **Talent:**

The Partnership has delivered the following programs and services to support the business community's involvement in labour market initiatives:

- **The Halifax Connector Program** is a simple but effective referral process that helps immigrants, international students and young and emerging talent build a professional network, and connect with job opportunities to help them settle successfully in Halifax, Nova Scotia. This made in Halifax solution continues to be emulated across Canada and, most recently, New Brunswick Multicultural Council has adopted the Program's methodology, bringing the total number of municipalities emulating the program in Canada to 14. The following highlight results from April 1 to December 31<sup>st</sup>:
  - New business leader connectors: 112
  - New immigrant participants: 68
  - New Young and Emerging Talent participants (includes international students): 176
  - Total number of business leader connectors to date: 452
  - Total number of program participants to date: 452
  - Total number of jobs participants have found through Connections: 169
- The Connector Program has received funding from the Royal Bank Foundation to host four **Speed Interview** sessions targeting key industry sectors, linking immigrant talent to opportunities.
- Through the Partnership's Business Retention and Expansion Program, the Partnership has referred 14 companies to the NS referrals to Trade \*\* and 15 companies to the Nova Scotia Productivity and Innovation Program.

### **International Brand:**

- Baseline research & analysis complete. The International Brand Action Team Lead met with HRM staff to discuss the Action Team's work, potential next steps and how the work of the Team could be used to inform any possible activities undertaken by HRM. Partnership staff will meet with the Action Team Lead in Q4 to define next steps.

### **Regional Centre:**

- Regional Centre activities in the Economic Strategy that are assigned to the Strategic Urban Partnership (SUP) are detailed in a separate report.

### **2011-13 Q2 & Q3 UPDATE: SERVICE LEVEL AGREEMENT (SLA)**

The business relationship between HRM and GHP has been formalized through service level 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 **Update: 2011-2016 Economic Strategy**, due to continued focus on achieving greater alignment of corporate planning and Economic Strategy outcomes. A detailed Q2 and Q3 progress report of all activities has been submitted to the CAO's Office for review.

### **KEY HIGHLIGHTS OF 2012-13 SECOND AND THIRD QUARTER 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;
- As another tool to promote the city and region the Partnership recently launched [whyhalifax.com](http://whyhalifax.com). Targeted at individuals and companies that are thinking about locating or expanding your business in Halifax, this allows users to create a customized information report containing useful information needed to invest, do business, and live in Halifax. The Partnership has also developed customized videos and testimonials from sector experts.
- Provided community economic development support to eight projects within the African Nova Scotia community;
- Since Q1, the Partnership's has made over 35 presentations to a variety of stakeholder audiences on the current economic growth opportunities and challenges in Halifax. As well, F. Morley wrote the following "Trend Watch" articles for the Nova Scotia Business Journal:
  - July 2012- Halifax cannot rest on its laurels

- August 2012 - Labour market prospects: Between a rock and a hard place
- September 2012 – Investing in international talent recruitment: Planting the seeds for a growing workforce
- October 2012 – Renewing resource industries: Our passport to prosperity
- November 2012 – Achieving transformational change: A status quo approach is not enough to move us forward
- December 2012 -- ABCs of successful leadership: Discover the ‘hard and fast’ rules
- The Partnership's Business Retention and Expansion Program and Research Team is a leading source of competitive Intelligence and the identification of company-common issues impacting economic growth in Halifax. Cumulative results to December 31st for the Partnership's Business Retention and Expansion Program:
  - Businesses visited: 118
  - Consultations (over and above original visit): 145
  - Business referrals responded to: 188
  - Referrals closed: 35%
  - Referrals to NS PIP Program: 15
  - Referrals to Trade Support Services: 14
  - Jobs Created/Retained: 457

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

- The Partnership continues to have ongoing collaboration with NSBI, Halifax Gateway partners and other community stakeholders to attract and retain business investment. The Partnership is currently managing a business development funnel with over 20 qualified leads. Since April 1st, there have been four closes, generating 33 jobs.
- The Partnership's Research Team has responded to 136 requests for economic information from local, national, and international people and businesses from Q1 to Q3.

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

- Halifax Index launched on May 23 which provided an economic profile and areas where more focus is required;
- Held 20 economic strategy-related meetings from Q1 to Q3 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>.

### **FINANCIAL IMPLICATIONS**

There are no financial 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.

### **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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