

Item No. 10.2.1
Halifax Regional Council
May 3, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
Councillor Lorelei Nicoll, Chair
Community Planning and Economic Development Standing Committee

DATE: April 19, 2011

SUBJECT: Economic Development Opportunity – Irving Shipyard

ORIGIN

The motion of the Community Planning and Economic Development Standing Committee meeting of April 14, 2011.

RECOMMENDATION

It is recommended by the Community Planning and Economic Development Standing Committee that Regional Council endorse the following motion in support of the Irving Shipyards bid for the Federal Contract for the construction of Canada's Navy combat vessels:

WHEREAS Halifax is the home of Canada's East Coast Navy and HRM supports a strong Canadian Navy;

AND WHEREAS the Government of Canada's new National Shipbuilding Procurement Strategy will see approx. \$30 billion invested over the next 30 years to replace the aging Navy and Coast Guard fleet;

AND WHEREAS the work will be divided between two Canadian shipyards, one for combat vessels and one for non-combat vessels;

AND WHEREAS the Irving Shipyard in Halifax has been short-listed as one of five from which the two shipyards will be selected;

AND WHEREAS the Irving Shipyard has been a centre of shipbuilding excellence in Halifax for over 50 years with extensive experience in combat vessels; Canada's largest marine engineering group; ice-free, state of the art deep water facilities; and a 365 day per year operation;

AND WHEREAS the Irving Shipyard is a major contributor to the regional economy with approx. 1200 employees and a total payroll of over \$70 million;

(Recommendation cont.'d pg. 2)

AND WHEREAS winning the contract for combat vessels would allow the shipbuilding industry in Halifax and the region to grow significantly by increasing the workforce, providing stable jobs for the next 30 years, and increasing training in skilled trades and professions that would continue to support Irving Shipyard as a centre of excellence;

THEREFORE BE IT RESOLVED THAT

Halifax Regional Council endorse Irving Shipyard's bid under the National Shipbuilding Procurement Strategy, and support its efforts to win the contract for combat vessel construction.

BACKGROUND

Representatives from Irving Shipyard provided a presentation to the Community Planning & Economic Development Standing Committee in regard to the company's efforts to secure a major shipbuilding contract with the federal government.

DISCUSSION

The presentation to the Committee advised that the Government of Canada's National Shipbuilding Procurement Strategy will see approximately \$30 billion invested over the next 30 years in replacing Canada's aging federal fleet of large ships operated by the Navy and the Canadian Coast Guard. The work will be divided between two Canadian shipyards with one yard building combat vessels and the other building non-combat vessels and, to date, Irving Shipbuilding Inc. is one of five shipyards that have been short-listed. The selection of the two winning shipyards is expected in the summer of 2011.

Recognizing how significant Irving Shipyard is to Halifax and the entire regional economy, the Committee felt it was important for the Municipality to support Irving Shipyards in their efforts to win this bid, and stand alongside the Atlantic Mayors Congress and the Provincial Government who have already declared their support for a contract being awarded to this region. The Committee unanimously endorsed the resolution noted above.

BUDGET IMPLICATIONS

None associated with the Standing Committee's report.

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

Not applicable

ALTERNATIVES

No alternatives were provided.

ATTACHMENTS

None.

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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