

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

Item No. 15.1.1 Halifax Regional Council October 5, 2021

TO:	Mayor Savage and Members of Halifax Regional Council
SUBMITTED BY:	Original Signed by Jacques Dubé, Chief Administrative Officer
DATE:	September 9, 2021
SUBJECT:	Development of the 2022-27 Halifax Economic Growth Plan

<u>ORIGIN</u>

March 9, 2021, MOVED by Councillor Blackburn, seconded by Councillor Mason

THAT Halifax Regional Council authorize the Chief Administrative Officer to develop a 2022-2027 Economic Strategy in collaboration with the Halifax Partnership, in accordance with the approach set out in the February 8, 2021 staff report and the related Halifax Partnership presentation.

MOTION PUT AND PASSED UNANIMOUSLY.

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 Halifax Regional Council endorse the continued development of the 2022-27 Economic Strategy in accordance with the approach outlined in this report and related Halifax Partnership presentation.

BACKGROUND

2016-21 Halifax Economic Growth Plan and COVID-19 Economic Response and Recovery Plan

On April 5, 2016, Regional Council approved the document, <u>Halifax Economic Growth Plan 2016-21</u> (2016-21 Growth Plan), as the five-year economic strategy for Halifax. Building upon HRM's relatively strong economic growth in recent years, and acknowledging the negative impacts that demographic trends could have on Halifax, the economic strategy is a growth agenda. It envisions Halifax with a population of 550,000 people and a \$30 billion economy by 2031.

In May 2018, Regional Council approved an <u>action plan for years three-to-five (2018-21)</u> of the economic strategy. Partnership and HRM staff have provided ongoing updates on the strategy's implementation to Council, the last being on <u>September 28, 2020</u>.

In May 2020, at Regional Council's direction, the Halifax Partnership began developing a <u>Halifax COVID-19 Economic Response and Recovery Plan (ERRP)</u>. Created in consultation with key economic development stakeholders, the plan outlines 38 actions HRM and the Partnership will undertake to weather the urgent health crisis, prepare to restart and rebuild the economy when conditions allow, and return to Halifax's long-term growth trend and chart a path forward for a stronger, more resilient municipality. An update to Council on the ERRP's implementation is planned for the next Community Planning and Economic Development Standing Committee (CPED) meeting.

DISCUSSION

State of the Economy

From the launch of the 2016-21 Economic Growth Plan until the onset of the COVID-19 pandemic, Halifax experienced consistent record-breaking population growth. If the trends over that time had continued to 2031, the ambitious goal of growing Halifax's population to 550,000 would have been achieved. Over the past five years, Halifax not only reduced its loss of youth to the rest of Canada but also helped make Nova Scotia a net importer of young people for the first time since 1985. From 2016 through 2019, Halifax consistently experienced positive GDP growth. Due to the pandemic, however, Halifax's GDP experienced a significant contraction in 2020. The Conference Board of Canada projects a strong rebound in 2021, followed by a return to more stable positive growth in 2022 and beyond. Even absent the pandemic-induced contraction, the GDP growth trends from 2016 through 2019 were not enough to propel Halifax to a GDP of \$30 billion by 2031.

Halifax's economic and population growth has been positive in recent years. However, the basic demographic challenge identified in the 2016-21 Growth Plan remains relevant; the municipality is still on track to have a population with a much larger share of older people who consume more expensive services like health care and generate fewer tax revenues than younger cohorts. Furthermore, rapid growth has brought new challenges -- overcrowded schools, scarce housing, and oversubscribed childcare and family doctor waitlists. New geopolitical challenges and uncertainties have emerged on the world stage.

2022-27 Economic Growth Plan Governance, Project Phases, and Work to Date

The 2022-2027 Economic Growth Plan will be an evolution of the 2016-21 Economic Growth Plan and some of the actions included in the Halifax COVID-19 Economic Response and Recovery Plan. The 2022-2027 strategy will address some of the challenges mentioned above and ensure that growth in the municipality is sustainable, affordable, and includes all Halifax residents regardless of income or background. Collaboration and engagement with diverse voices across communities, business, and government is essential.

Governance

As endorsed by Council in March 2021:

- Regional Council and CPED will approve the approach to develop the 2022-27 Growth Plan, the Growth Plan's framework, and the final strategy;
- The Halifax Partnership Board of Directors is providing oversight, endorsing the new Growth Plan's approach, framework, and final direction before they are presented to Council;
- The Economic Strategy Advisory Committee that includes members of the Partnership's Board of Directors and others is overseeing the strategy's development, refining the vision, identifying goals, and bringing community leadership to the process; and,
- A Working Group of Halifax Partnership and HRM Government Relations and External Affairs (GREA) is managing the project and developing detailed project plans. The Working Group is engaging HRM Corporate Communications and HRM subject matter experts for input and to ensure alignment with HRM's strategic priorities and business plans.

Economic Growth Plan Development Approach

As currently envisioned, the economic strategy's development includes seven phases:

1. Project Planning (January 2021 to March 2021). In January, the Economic Growth Plan Advisory Committee, an ad hoc Committee of Halifax Partnership's Board of Directors, was established with Cory Bell, President & CEO, Lindsay Construction, as its Chair. Other Board members include Donna Alteen and Winston Morton. The Committee can invite non-Board members to participate as required throughout the process.

The Working Group that includes HRM and Partnership staff was also formed. It and the Committee developed the broad 2022-27 Growth Plan approach that was endorsed by Regional Council in March.

- 2. Strategy Assessment, Literature Review, & Surveys (March 2021 to August 2021). Beginning in March, the Working Group and Advisory Committee reviewed the 2016-21 Economic Growth Plan and ERRP to identify actions that could be included or modified for the new Plan. The Partnership commissioned the 2021 City Matters Survey and the 2021 Business Confidence survey that will inform the strategy's development. Furthermore, the Working Group engaged HRM staff to identify how the 2022-27 Growth Plan's development, HRM Regional Plan Review, and HRM 2021 Citizen's Survey can inform one another. The working group continues to scan the economic development strategies of other jurisdictions for insight.
- 3. Pre-Design Engagement Phase Emerging Themes (April to September 2021). The economic strategy engagement process is being implemented. It includes online, social media, and face-to-face activities, as well as input from community groups to ensure the strategy charts a course for an inclusive, sustainable, and prosperous Halifax. The process is flexible and inclusive, ensuring everyone can follow progress and have a say in the plan's development.

To date, the Halifax Partnership has engaged more than 200 participants in discussions on three emerging themes listed below. In September, working groups focused on these themes will share proposed actions to be included in the new economic strategy.

- I. Attainable housing. Recently the market for houses has been marked by rapidly escalating prices and shrinking inventory. In parallel, the apartment market has seen rising rents and record- low vacancy rates. These rises in the cost of housing have exceeded income growth, meaning that overall affordability has decreased. Real or perceived affordability problems make it more difficult to entice people and businesses to relocate to Halifax. Halifax is at risk of losing its key selling points of being a relatively low-cost business environment and an attractive place for young workers and students to establish themselves and build careers and lives. In January, the Halifax Partnership held a CEO Council with more than 40 participants to discuss the issue. In May, the Partnership established an Attainable Housing Working Group that includes community leaders, subject matter experts, and HRM and Halifax Partnership staff to propose related actions to increase the pace with which new housing supply can be brought to the marketplace. The group has met three times to date.
- II. Transportation and logistics. The reach and quality of active transportation (biking, walking, etc.) and public transportation networks are vital to a city's livability, are key factors in the size of its environmental footprint, and are critical to businesses as the means to get workers and customers to and from their premises. The quality of these networks is an important selling point for the city to workers, businesses, and tourists who might choose to come here. Facilities and networks related to business logistics ports, airports, roads, railways, warehouses, etc. are especially important to the economy of Halifax and the Province of Nova Scotia more broadly. In April 2021, the Halifax Partnership held a CEO Council with 26 business and HRM leaders and subject matter experts to discuss the issue. The Transportation and Logistics Working Group first met in May 2021 to identify the transformative projects that will improve the way people and goods move through the city, and determine how to bring active transportation, ridesharing, micromobility, and other perspectives to the table.
- III. Green economy. Halifax is well positioned to advance a green innovation, infrastructure, and jobs agenda, building upon the city's industry, post-secondary and innovation strengths, and guided by HRM's HalifACT climate action plan. In 2020, the Partnership and HRM, through the Halifax Innovation Outpost work, formed a Green Economy Action Team to support the development and growth of Halifax's green economy. Members include business, academia, non-governmental organizations, and municipal and provincial government representatives. In November 2020, Halifax Partnership held a CEO Council with 23 business leaders and subject matter experts to discuss green economy opportunities and challenges, and in January 2021 hosted a Mayor's Roundtable attended by 100 people. Discussions focused on green as a competitive advantage for Halifax, developing a green workforce, and creating a CEO Charter on Climate Action. The Green Economy Action Team was invited to act as the Green Economy Working Group to support the development of the new economic strategy. The Working Group met for the first time in May 2021. Together, the group has identified key challenges, opportunities, competitive advantages, and proposed economic strategy actions aimed at developing Halifax's green economy and progressing HalifACT.

Developing actions that promote and drive inclusive economic growth will include diverse views, voices, experiences, and leadership from African Nova Scotian, Indigenous, Immigrant, 2SLGBTQ+ and other communities. A Mayor's Economic Roundtable on Inclusive Growth was held at the end of June. Co-hosted by United Way Halifax, it drew an additional 100 people into a discussion on this fundamental aspect of the Plan. Participants were invited to answer the question, "In 2027, Halifax is recognized as North America's most inclusive city – what's different from today?" This same question is being asked through a standing public survey on the Partnership's website and promoted through its social media channels. Inclusive growth is the focus of planned incommunity engagements throughout September and October that will provide further input into developing a vision and common understanding that will shape Halifax in the next five years and beyond.

Discussions are also being held with stakeholder groups on topics critical to economic growth including:

- placemaking, the importance of downtowns, and urban, suburban and rural revitalization (Business Improvement Districts, Chambers, others across HRM and through Halifax engagements planned with the Canadian Urban Institute);
- the role of post-secondary institutions, particularly as it relates to labour force growth and the development of talent (Halifax Higher Education Partnership);
- leveraging innovation as a driver of growth (Volta, Innovacorp and other incubators and hubs); and,
- aligning intergovernmental strategies and plans (Municipal, Provincial and Federal leaders and departments).

The Halifax Regional Municipality is conducting its next comprehensive Residents' Survey which provides important performance results that inform progress towards the municipality's Strategic Priority Outcomes and is an important public engagement tool which advises the municipality of resident priorities, preferences, and satisfaction with services. The results of this survey will support multi-year strategic plans and assist business units in service delivery and development. Halifax Partnership's Economic Growth Plan project team was offered and took advantage of the opportunity to review the proposed questions and has identified a number of questions whose responses can be used to inform aspects of the economic strategy, including questions on Halifax as an inclusive city. The survey runs from September 1 - 17 with results available in November.

Shape Your City continues to be assessed as a tool that can be used as needed for further public engagement to get additional input on specific topics, or to gain further insights on ideas that arise from other engagement initiatives.

- 4. Building awareness and maintaining accountability (June to November). The working group and HRM Communications staff are meeting regularly to develop and implement tactics. The <u>Halifax</u> Economic Growth Plan web page on the Halifax Partnership's website serves as the central location for the 2022-27 Economic Growth Plan's progress updates, insights, and opportunities to engage. Information is also being shared via Halifax Partnership newsletters and stories, in editorials (e.g. Business Voice, Chronicle Herald), and Partnership and HRM media channels.
- 5. Digital Engagement and Customized Outreach (September). Broad and customized outreach will take place in September. It will include face-to-face engagements with community organizations and groups. Social media and HRM's Shape Your City website will also be deployed to get feedback from the broader public.
- 6. Validation of Findings (October). The Partnership will host an interactive community engagement event to share and validate findings from the previous engagements.
- 7. Drafting and Approval of 2022-27 Economic Growth Plan (October 2021-March 2022). The Working Group and Advisory Committee will draft the economic strategy and consult with HRM and other subject matters experts as needed. The draft will be approved by the Partnership Board of Directors before its submission to Regional Council via CPED. Approval by Regional Council will be sought in early 2022.

Staff recommend that this approach is endorsed by Regional Council.

FINANCIAL IMPLICATIONS

HRM is providing the Partnership \$135,000 plus net HST, for a total of \$140,800, from the 2021-2022 budget to develop the next economic strategy. These funds are identified in Government Relations and External Affairs base budget (Cost Centre E400).

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this Report. The risks considered rate Low.

COMMUNITY ENGAGEMENT

Economic development stakeholders and HRM business units were engaged in the development of the Halifax Economic Growth Plan 2016-2021 and the Halifax COVID-19 Economic Response and Recovery Plan. The Halifax Partnership Board of Directors approved the proposed approach outlined in this staff report. Proposed engagement with the broader community in developing the new economic strategy is outlined in the discussion section of this report.

ENVIRONMENTAL IMPLICATIONS

As was the case with the Economic Growth Plan, environmental sustainability will be a key consideration of the 2022-2027 economic strategy.

ALTERNATIVES

Regional Council may choose to recommend a different approach in developing the new economic strategy.

ATTACHMENTS

Attachment 1 - Halifax Partnership and HRM Activity Update Presentation

A copy of this report can be obtained online at <u>halifax.ca</u> or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Jake Whalen, Senior Advisor, Economic Policy and Development, 902.292.7351

Attachment 1

Halifax Partnership and HRM Activity Update

Economic Overview COVID-19 Economic Response and Recovery Plan Update Development of the 2022-27 Economic Growth Plan Halifax Innovation Outpost

Presented to:

Halifax Regional Council October 5, 2021



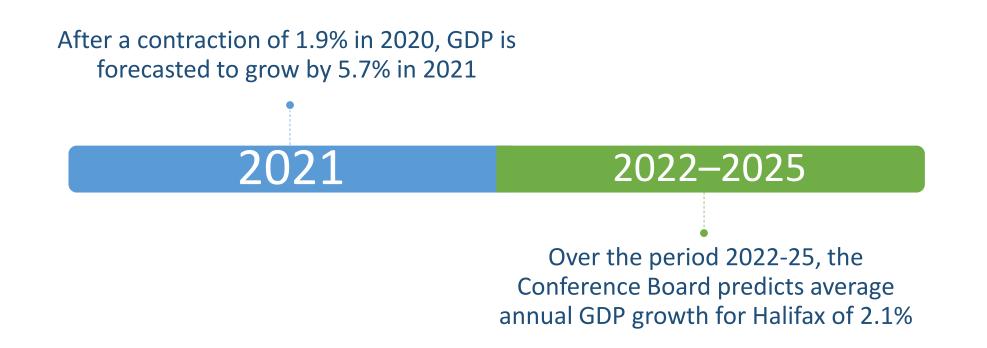


1. Economic Overview





GDP Growth: Drop, Rebound, Back-to-Normal

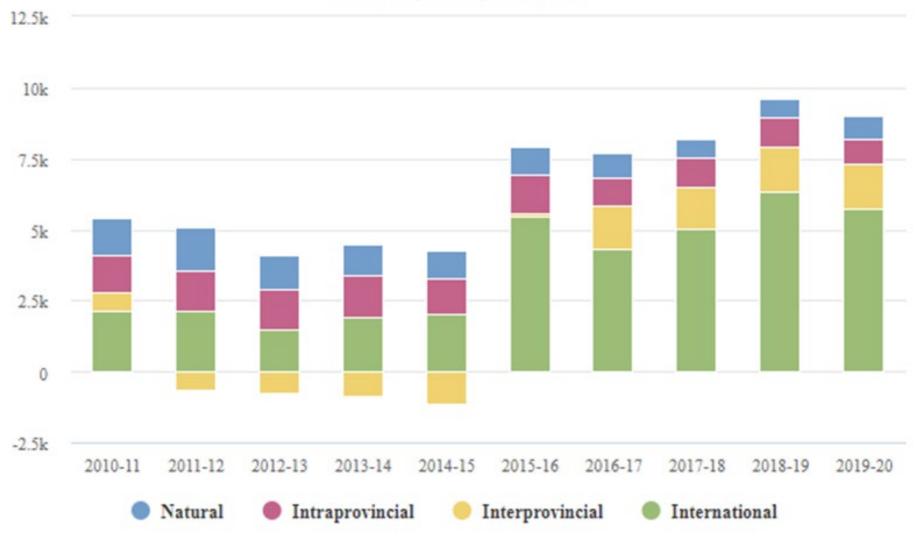






Population Growth by Source

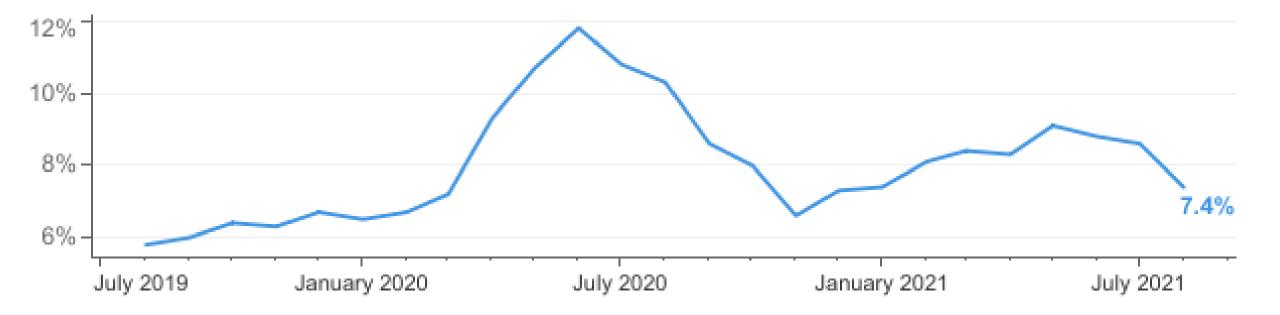
Net Persons, Halifax, 2010 to 2020



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Unemployment Rate







Net Change in Employees, Halifax, January 2020 to August 2021 10k 7,400 6,200 4,600 3,800 2,200 1,900 1,100 0 0 -500 -2,300 Employment -4,300 -10k -10,600 -15,800 -20k -21,200 -23,200 -30k January March April July August niber niber niber niber niber nier Narch April May June July August May June







Consumer Confidence Index (Narrative Research)

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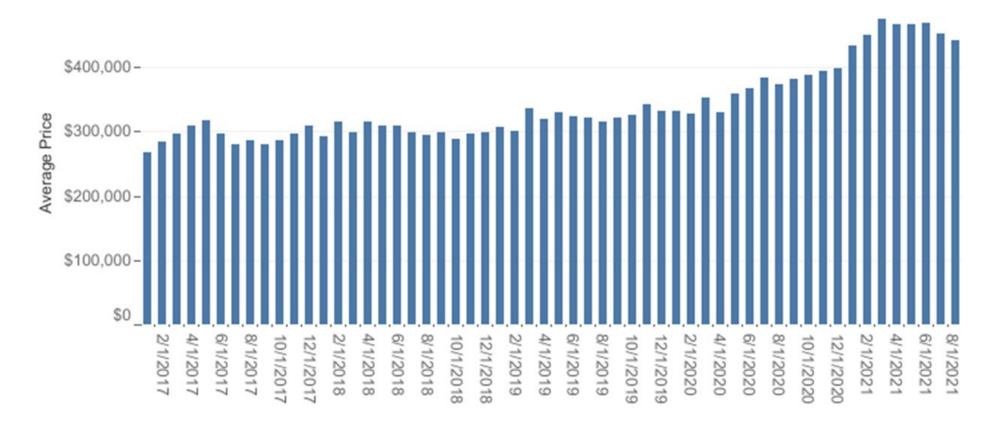


House Prices

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August 2021 Halifax-Dartmouth Region Average Home Price: \$442,284

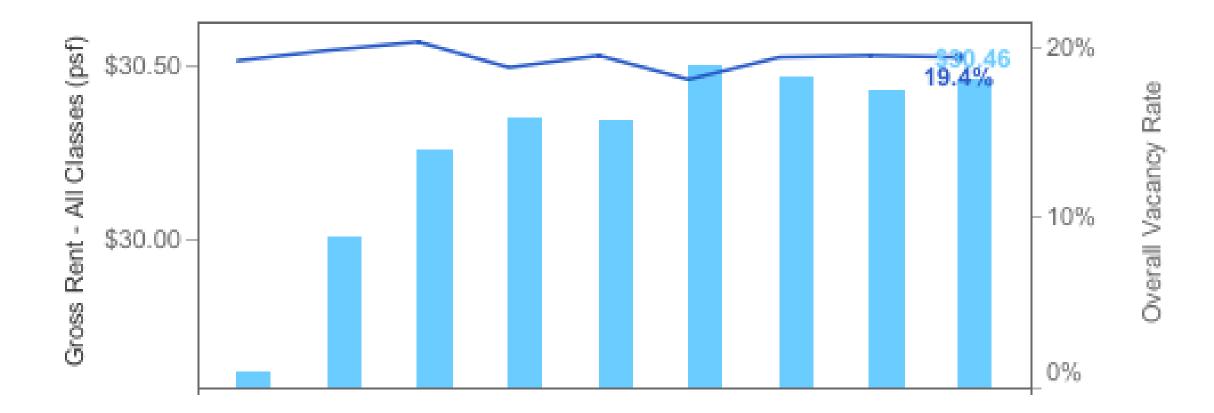
▼2.2% (-\$10,001) compared to July 2021





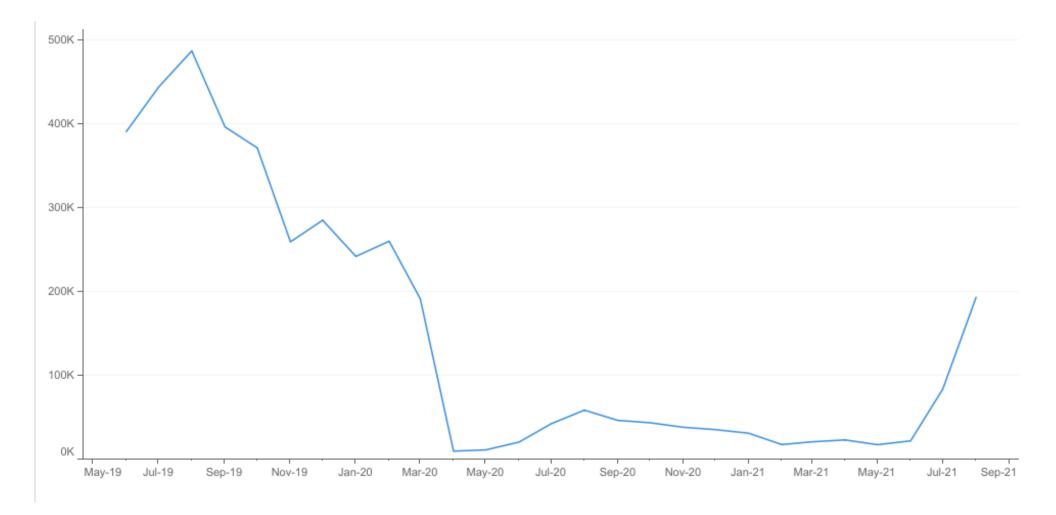
Downtown Office Market

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Air Passenger Traffic







Every facet of life has been changed by the pandemic, from how we live, to how we work. What impacts has COVID-19 had on Halifax's economy? Find the latest economic data and analysis here.

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TRACK

EMPLOYMENT CHANGE LABOUR UNDERUTILIZATION EMPLOYMENT BY AGE EMPLOYMENT BY SEX

ALC: YEAR

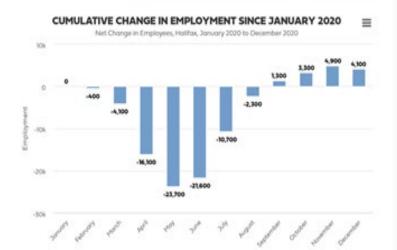
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West Selector

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\$2,001

STAND STRONG



Source: Statistics Canada, Labour Force Survey, Table 14-10-0095-07

Cumulative Change in Employment Since January 2020

Why is this important?

This chart looks at the cumulative monthly change in the number of employed workers in Halifax since January 2020 (pre-COVID restrictions). Tracking changes in total employment provides a broad overview of the effects that COVID-19 has had on our labour force.

How is Halifax doing?

Between January and May, employment in Halifax dropped by 23,700 workers, a massive 9.9% loss in total employment. In terms of percentage employment losses, these were in the lower third of Canadian cities. This means two-thirds of Canadian cities experienced proportionately worse employment losses than Halifax.



2. COVID-19 Economic Response and Recovery Plan





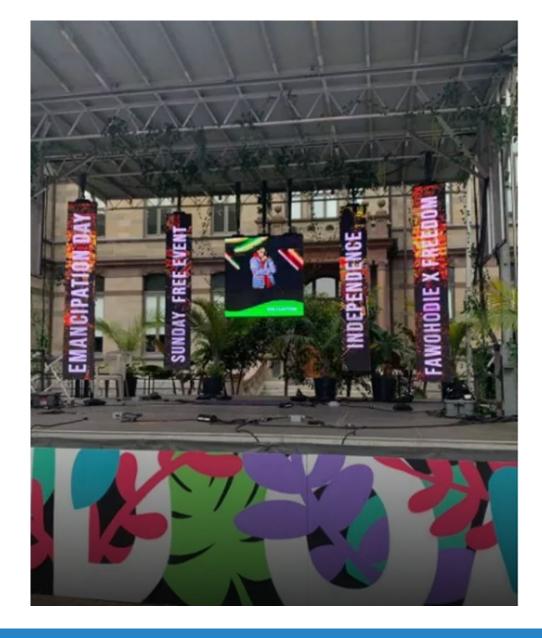
Three Phases of Recovery

Phases	Objectives	Timing
PHASE I: CURRENT URGENT HEALTH CRISIS	Follow public health directives and respond to the urgent needs of businesses and residents.	Moving from one Phase to the next will not be based on a fixed timeline but will be aligned to Public Health criteria and measures. Actions/activities may overlap between Phases.
PHASE II: STABILIZATION GETTING BACK TO BUSINESS	Support businesses planning for reopening or resuming full operations; prepare for Public Health restrictions if COVID-19 resurges.	
PHASE III: RECOVERY OPEN FOR BUSINESS	Support businesses in resuming full operations; build local business and consumer confidence; ramp up national and international investment attraction.	













3. Development of the 2022-27 Economic Growth Plan





Roles and Responsibilities

Halifax Regional Council and Community Planning and Economic Development Standing Committee (CPED)

• Approval of the approach to develop the strategy, the strategy's framework, and the final strategy itself;

Halifax Partnership Board of Directors

• Provides oversight, endorses the strategy's approach, framework, and final direction before they are presented to Council;

Economic Growth Plan Advisory Committee

- Includes members of the Halifax Partnership's Board of Directors
- Oversees the strategy's development, generate new ideas, refine the vision and identify goals, and bring community leadership to the process;

Working Group

- Halifax Partnership and HRM Government Relations and External Affairs Staff
- Hands-on role in developing the strategy.
- Manages the project, develops detailed project plans and scoping
- Undertake stakeholder engagement and communications.

HRM Government Relations and External Affairs

• Will engage HRM subject matter experts and ensure alignment with HRM's strategic priorities and business plans.





The Foundation

• Build on the success of the 2016-21 Economic Growth Plan and Halifax's Value Proposition (TLC-I)

- Deepen our understanding of emerging themes and identify priorities, opportunities and actions that will advance the economic growth plan strategic goals.
- Tax and regulatory regimes
- Infrastructure
- Services
- HP Programs, resources and experience
- HRM Programs and Strategies
- Partners' Programs and Resources
- COVID-19
- Changing Nature of Work





Engagement Plan

Engagements to Date

- CEO Councils
- Mayor's Roundtables
- Working Groups

October to November

- Business Improve Districts
- Canadian Urban Institute
- Under-Represented Groups
- Rural Community
- Education
- Innovation Partners
- Government

DEVELOPING THE NEW 5-YEAR GROWTH PLAN

Together with Halifax Regional Municipality, we are leading the development of Halifax's economic growth plan for 2022-27. We're bringing together businesses, partners, residents, and communities throughout Halifax to share ideas, insights, and actions to build a more inclusive, sustainable, resilient, and prosperous Halifax over the next five years.

Collaboration and engagement with diverse voices across communities, business, and government are essential to the development of the next economic growth plan. Our willingness to work together will be critical to the success of building a better Halifax.



SHARE YOUR VIEWS

Everyone has a role to play in building a better Halifax.

In June, a Mayor's Economic Roundtable on Inclusive Growth was co-hosted with United Way. Over 100 people joined the discussion and participants were invited to answer the following question. We invite you to share your ideas and input on inclusive growth.

If in 2027 Hallfax is recognized as the most inclusive city in North America, what would be different from today?

2022-27 Economic Growth Plan – Strategy Map (DRAFT)

PEOPLE & TALENT



Vision/Goal: Grow GDP & Population + Inclusive Growth measure(s) (TDB)





INNOVATION

4. Halifax Innovation Outpost





Leading and managing the day-to-day operations of the Halifax Innovation Outpost

Leading Halifax Partnership's Innovation Halifax Program

Addressing Social and Environmental Challenges

HalifACT and Climate Change Adaptation Projects

- Gigatonne Challenge
- HalifACT Climate Action Hackathon -March 19 to 21, 2021
- Green Delivery Service
- Climate Action Charter

Food Security Innovation Initiative

- Akoma drive-by garden stand
- Hope Blooms Electronic "Pay it Forward" System
- Mealful affordable meal service for students.
- Mobile Food Market and Partners' Food Hub

Green Delivery Service – Who's Involved

Noligone	Using electric vehicles, Haligone will deliver non-perishable products for up to 25 retailers and Kangaroo will provide independent restaurants and customers in rural areas of the municipality with a platform for food delivery.
QALLEV	All EV is supplying the electric vehicles for the startups to use.
Clean	Clean Foundation is training delivery drivers on how to use the vehicles, where the fueling stations are and how best to plan travel and fueling routes.
HALIFAX PARTNERSHIP CONNECT. COLLABORATE. PROSPER.	Halifax Partnership is leading the advancement of the Halifax Innovation District and is a partner on the Buy Halifax campaign.
ΗΛLΙϜΛΧ	Halifax Regional Municipality is leading HalifACT 2050, Halifax's long-term climate action plan. HRM is providing consultation and guidance for the pilot project.
	Downtown Dartmouth Business Commission, Downtown Halifax Business Commission, North End Business Association, Quinpool Road Mainstreet District Association, and Spring Garden Area Business Association are partnering to co-create and deliver the pilot to their retail members.
HALIFAX CHAMBER OF COMMERCE	The Halifax Chamber of Commerce is a partner of the <u>Buy Halifax</u> campaign.



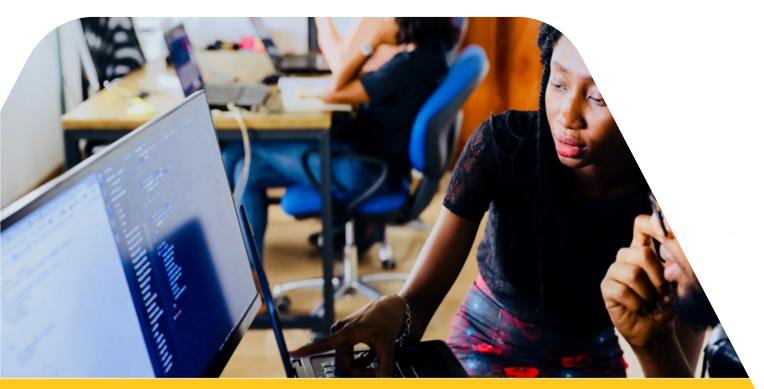
Discover Halifax is a partner of the <u>Buy Halifax</u> campaign.

Path Forward

- Continue to lease the Outpost space at Volta. This is a dedicated space where HRM and the Halifax Partnership can work in partnership with the innovation community, partners, other levels of government.
- Undertake additional social innovation projects that fall within the municipal mandate.
- Consider undertaking new initiatives that advance other priorities of the 2022-27 Economic Growth Plan under development.
- Assist local companies to pilot their products and services with HRM, companies, and other organizations.
- Leverage funding to access private sector investment and support from other orders of government to support all the above.









PLEASE JOIN US: October 15, 2021

• African Nova Scotian Road to Economic Prosperity Summit



