

**MAYOR MIKE SAVAGE**

**State of the City 2014**

**Halifax Chamber of Commerce: November 19, 2014**

## **INTRODUCTION**

I'm pleased to be here again at the half way point of your municipal government's mandate.

I want to outline some thoughts on where we are as a Council, a few accomplishments and a few goals. Some challenges, some opportunities.

I am often asked, "Is it what you expected?" That's a hard question to answer.

The job of Mayor is unlike anything else I have done. I have held private and public sector positions that are complex and varied. This job is very different. I sometimes describe it this way.

At any time there are likely **1000** issues on my desk that affect about **10,000** people.

But **100,000** think they are affected, and **400,000** think the Mayor can fix it.

Every day something new crops up and must be addressed. Why is a building going there? Why isn't a building going there?

We need more dog parks. We have too many dog parks.

Clear the snow off my sidewalks. Leave my sidewalks alone

All of these things matter to the people we were elected to serve, and need to be managed.

What drives me forward are bigger issues, the ones that answer this question: What kind of Halifax are we building?

In our efforts to build a bigger Halifax with a stronger economy, we must also answer the question: Are we building a **better** Halifax?

## **A better Halifax**

When I ran for Mayor, I had a long list of things I wanted our city to achieve. Getting there began with improved working relationships on Council.

Our Council has demonstrated to act collegially and think strategically.

I am proud of my colleagues.

Together, we're moving the ball on issues that matter:

- The City has become a strong partner with our provincial and federal counterparts, ensuring we are seen as a mature order of government.
- Crime is down and thanks to the work of Dr. Don Clairmont we better understand where increased attention is needed.

- Improvements and investments in the downtown are underway, based in part from what we were told through the **Downtown I'm In** initiative.
- We opened the city's data, releasing data sets to app developers who can put our services in the hands of citizens;
- We launched a Local Immigration partnership to help new people acclimatize to life in Halifax;
- And a regular roundtable with the presidents of the universities and NSCC to focus on retaining young talent.
- We are partnering with United Way, the private sector and others to seriously address the need for affordable housing.

- The Mayor's Conversation on Healthy, Liveable Communities led to the planting of the city's first urban orchard and new conversations about food security, accessibility and active transportation.
- Council approved an Arts Advisory Committee to be an active partner in funding of the arts.
- We brought in a new corporate partner for the newly-named Scotiabank Centre.
- And, we launched a long-awaited new Halifax brand.

When I ran I spoke of being Halifax's Marketer-In-Chief. That means searching out economic opportunities. This past year has taken me to:

**Houston** for the Offshore Technology Conference;

**Stavanger**, Norway for World Energy Cities meetings;

**Belfast** to talk about how cities are driving innovation;

**Kiel** Germany with a team from Dalhousie to talk about shared opportunities related to oceans research;

**Edmonton** to promote Canadian Country Music week in Halifax next year;

And, two weeks ago, I traveled to our sister city **Norfolk**, Virginia, to talk about shared interests as Naval bases, university towns, ship builders and cities investing in their downtowns.

So, we're accomplishing a good deal, and for that I owe much to our Council, excellent city staff, and community partners - including the business commissions represented at my table today.

Being Mayor offers an extraordinary vantage point from which to witness our remarkable city, to embrace opportunities and to manage change.

## FINANCIAL PICTURE

So, let's look at the basics.

Financially, Halifax remains strong.

As a city, our debt continues to decline. At amalgamation our debt was \$347.5M and today it is \$261M. Relative to our friends at the Province we look like a good bargain.

The state-of-good-repair for municipal infrastructure is well-funded. Our capital from operating continues to rise.

Council is making disciplined and rigorous decisions about our long-term capital investments in strategic projects that benefit our community as a whole.

So, we're doing fine, but we need to be especially prudent given the pressures on our operating budget.

Negotiated wage increases are outstripping CPI, for example, and we are seeing a levelling off of property values.

We are cautiously watching the residential side.

After an extended period of growth, single family housing starts are dropping, as are multi-unit residential starts outside the urban core.

Added to that, our revenues from deed transfer taxes are expected to dip by \$3 million this coming year, as more people stay put in homes with capped assessments.

Today, commercial taxes made up 38 % of total revenue. That's compared with 50 % commercial at the time of municipal amalgamation.

We rolled back commercial and residential tax rates each of the past two years, and we have asked staff to tell us what a flat rate would look like this coming year.



## **GROWTH AND DEVELOPMENT**

But, numbers don't tell the whole story.

On the policy front, we're pushing hard to direct growth where it is most cost-effective to service.

After significant public input and debate, we passed the revised regional plan that will continue to guide the smart growth of the municipality.

Good planning has resulted in strong projects in the urban centre.

The new Central Library – voted one of the top 10 buildings to watch by CNN - is scheduled to open on December 13. Last week I toured it with the new Library CEO.

As I tweeted that evening..."if you don't believe in love at first sight, wait 'til you walk into that building for the first time."

The Library will be a new gathering place in our downtown, a crossroads between people and ideas.

The massive Nova Centre project is taking shape – rising from a long-empty block in the heart of the entertainment district.

RBC Waterside – the first new office downtown office building in more than 20 years – opened; the second TD tower is nearing completion, and many more projects are underway.

Evidence of the regional plan's merits can be seen on both sides of the harbour where urban growth – particularly residential – has reached a pace beyond anything we can recall.

Office vacancies are higher than we would like to see and street level retail remains an issue.

But as more people live closer to the centre, offices and retail will follow.

We believe in downtown because **great** cities have **great** downtowns.

In addition to Council's support for the library and the convention centre, we took the long-awaited decision to advance the demolition of the overbuilt Cogswell Interchange and plan for the redevelopment of the lands it occupies.

And we'll work closely with the private sector to maximize value to Halifax.

What might that look like? Here is a taste of the possible. VIDEO.

*(Narration):*

Residential, commercial, retail, bike lanes, green spaces...

reinstating roads that disappeared years ago...

...reconnecting the old north end to the downtown.

...How many cities get an opportunity to build a new gateway into their downtown in a way that that is designed for people first?

*(End narration)*

Just as we are working to reset our downtown, so too are we overhauling our Transit system, to increase ridership and lean more on the fare box than the tax base for revenues.

This would reverse the trend of the last decade.

A modern transit system with investments in new terminals, new technology and improved routing is essential to our efforts to plan for connected communities where people want to live.

## **UNLOCKING POTENTIAL**

Halifax has great untapped potential that we need to unlock in new ways.

But, we are often challenged to view our city the way others view us.

I am consistently amazed by how positively visitors – whether they be tourists, business people, or dignitaries – view Halifax.

People want to be here.

Events like the Nova Scotia International Tattoo have long attracted visitors to Halifax. But, more and more, I meet people who first time Halifax tourists.

Just think for a moment of the events we have attracted - or announced - over the past year:

- Davis Cup
- We Day
- CIS Men's Hockey Finals
- Canadian Country Music Awards
- Scotiabank Hockey Day in Canada
- Ford Men's World Curling
- Web.com Nova Scotia Open June 29<sup>th</sup>, returning in 2015, broadcast to 192 countries.

Events like these matter because as surely as they bring the world to Halifax, they also bring Halifax to the world.

Have a look at what the world saw on the Golf Channel last July. VIDEO.

## **E Mari Merces**

Many years ago the old City of Halifax adopted the motto: “E mari merces” or “Wealth from the Sea,” which still appears on our Coat of Arms.

Our economic fortunes have long been tied to the sea, which has brought us great riches and dealt us great tragedy.

In Fort Needham Park in the north end of Halifax, high above the harbour, we mark the sombre anniversary of the blast that took 2000 lives and injured 9,000 more.

Between the trees we used to be able to see the place where the Imo and Mont Blanc collided.

97 years after the explosion that view has changed:

In its place we see a narrow slice of the massive fabrication shed at the Irving shipyard.

We should never forget the past that has shaped us and made us Halifax.

But the park illustrates a point: We cannot allow our view of the past to hinder our aspirations for our future.

In September, I signed my name along with other partners on the last steel beam for the shed before it was hoisted skyward and set into place.

In this place, ships **will** be built for decades to come, a modern shipbuilding industry that extends far beyond the shipyard into our offices, industrial parks and communities.

And while we are a strong government town, a university town and a regional business hub with growing business sectors, we still very much cast our lot upon the water.

Shell and BP have each committed over \$1 billion in offshore development, among the largest investments they will make worldwide.

And, our Port which welcomed 17 shipping lines last year has substantially completed a \$100 million upgrade to its Richmond Terminal.

As the point of arrival and departure for EU trade, Halifax also stands to benefit greatly from free trade with Europe.

Supplies for Atlantic Mega Projects will arrive through our Port, and the CETA tariff eliminations will mean new opportunities for Nova Scotia exports. I appeared before the House of Commons Standing Committee on International Trade to drive home this point.

And, let's not forget cruise ships and their passengers contribute \$50 million a year to our tourism sector.

Increasingly, our notion of ocean-related wealth is expanding to include the export of ideas as we work to grow an already impressive ocean sciences hub,



with innovative businesses and the highest concentration of oceans-related PhDs in the world.

## **ECONOMIC LEADER**

So, yes, it's an exciting time for Halifax. But as we reach out to grab hold of our opportunities, we do so in the context of a province that is struggling to adjust to a new economy.

In this post-Ivany Commission Nova Scotia, only Halifax is positioned to lead the province's economic recovery. And, indeed we have to.

But if Halifax is to lead, we must recognize that we do not have the luxury of taking any of our natural or earned advantages for granted.

Because cities across the world are driving the economy in our increasingly knowledge-based, urbanized world.

And that world is changing fast.

Have a look at this graphic of the world's population growth projection until 2100.

And, then there's Halifax - jutting into the North Atlantic at the Eastern end of a massive country, far removed from most of the world's growing economies.

Some might shrug their shoulders and say, "Why would we even try?"

I know as you know that our relatively small city is vibrating with potential.

Let's be clear:

We need to understand that failure to grow does not guarantee Halifax remains a comfortably small city – it ensures our decline. Cities that don't grow don't prosper...economically or socially.

Today's cities are flexing their economic muscle in this knowledge economy.

They are the places where deals are made in coffee shops, where researchers find investors, where artists find audiences, and ideas find backers.

And I believe Halifax is exactly the right kind of city for the new urban culture that is driving the modern economy.

Because money doesn't drive innovation; talent does. And we have that in spades.

### **The People Challenge**

Despite the big new opportunities on the horizon, one of our greatest challenges is finding the people we need to fully realize our own future.

Halifax needs new Canadians and young workers more than ever. We have all heard it before – deaths are outstripping births in our province, and too many of our best and brightest are looking westward.

Last year, 2,100 residents left the province for other Canadian communities.

Younger Nova Scotians, many of them new graduates accounted for a disproportionate percentage of the exodus, and Halifax is no exception.

Our potential will only be realized if we reverse that trend. You, me, the Province, our universities, our businesses.

At the city we have our second cohort of **Bridging the Gap** new graduates, all of them well-educated and eager to gain experience.

Imagine if every large employer in this city established jobs for recent grads – how many of them would choose to make a life here?

Together we must create jobs for our young people and offer meaningful opportunities to people from other provinces and other countries.

Because the future of our city will be not be written by the people who have traditionally called Halifax home - or at least not solely.

The next Halifax will be largely shaped by a coming together of people from around the world, determined to find new opportunities and, in doing so, forge a new way forward for this city.

And we need to welcome them.

This past fall working with post-secondary presidents, we hosted our first Mayor's international student's reception at Pier 21.

It was a huge success. Never have I been in so many selfies with so many young people from around the world who were delighted to be studying in Halifax.

Now I want to stress that not all students will stay in Halifax, even if they go home or somewhere else after graduation they take a piece of Halifax with them.

My own daughter is studying in a foreign land...she's in Antigonish. But we want many of our grads to find a life here.

I want you to meet someone, Mufadzi Nyamarebvu.

Originally from Zimbabwe, Mufadzi moved to Halifax five years ago to attend Saint Mary's, a school that readily welcomed him into its multi-cultural environment.

SMU brought him here, but Halifax hooked him.

He was determined to stay here but that would mean finding a job in his field. He found his way to the Greater Halifax Partnership's Connector program.

Through the program Mufadzi built a professional network that led him to his first job: Business Development Manager for the Lung Association of Nova Scotia.

I'd say Halifax is lucky to have him.

It seems only right that a guy like Mufadzi, and so many like him who have chosen Halifax, should be able to vote in the next municipal election.

This is an idea that has found many supporters – thank you to the Chamber for your support - and some detractors, but progressive cities around the world have already taken this step.

How cool would it be if we were the first city in Canada to do this?

### **Get involved**

We must dig deep and reflect meaningfully on how we can leave this city better than we found it.

Do not wait to be asked.

You can hire an immigrant, or a new grad. You can be a mentor, join the Greater Halifax Partnership or a Chamber working group.

You can, as the Chamber suggests, say “yes”. And then you can say it in other languages

And, beyond that you can pledge to challenge pessimism and to welcome new people with new ideas into your workplaces and communities.

My friend Paul Kent, who will be leaving the GHP at the end of this year, is one of the most positive people I've had the pleasure of knowing. Let's take a page from his book.

You can embrace the new culture that shares cars, tools, workspaces, technology and commercial ideas.

We saw this kind of coming together when we opened the city's data to app developers; we've seen it at Volta labs, at Dalhousie's Institute for Big Data Analytics.

Technology-fueled collaboration is at the heart of urban innovation.

The philosophy is simple – create an environment in which people and ideas can connect to foster innovation.



Think of it as commerce, technology, social networking, venture capital, research and creativity meeting up for a drink after work.

## **Halifax means business**

We know the city needs to do things differently, and we are.

In April, we launched our new brand, something the Chamber supported.

When we rolled out the logo some folks loved it, others didn't. I heard from them all.

Brands are easy to criticize. But what the city's new brand represents is the distillation of a conversation with 20,000 people across our many communities as we strive to define this great place.

You told us you wanted your city to aim high, to be bold, ambitious and progressive.

You told us you value your sense of community, your sense of history, and pride of place.

And, no, we can't represent all of that with a typeface or a colour. But a shift in attitude can work wonders. That's what this brand should signal to the community, and to the world.

**It does not bother me if any of you prefer to call us HRM, but when I hit the road for this city I am not representing an acronym. I am representing Halifax.**

And **Halifax** means business.

Working with CAO Richard Butts, we are moving on important public infrastructure, we are advancing planning and development policies that will encourage the right projects in the right places.

Just last month we realigned our departments to accomplish 3 goals:

- Break down silos
- Greater accountability
- Superior customer service.

We moved from three planning offices to two – not an easy step to take but one that better enables us to get the work done, to partner with those who are building our city.

This is the nimble approach that will help us move from bold promises to bold action.

On Thanksgiving weekend, Walter Fitzgerald passed away, the last Mayor of Halifax and the first Mayor of Halifax. Quite an achievement.

Among his most admirable traits was his love of Halifax and his unbridled enthusiasm for its future.

I visited Walter at his home in Queensland when I was running for Mayor and asked his advice.

He laughed and said, “If you love people and love your town, you can learn the rest.”

Walter once suggested that Halifax could host the Olympic Games, and many laughed.

But maybe if you strive for the Olympics, you get the G-7, one of the best ever held.

Failing to reach a lofty goal isn't a weakness. Failing to have one *is*.

That's why I like the Chamber's goal to see Halifax become one of the fastest growing cities in Canada by 2018.

It will help if we get a few breaks – a bit of oil, for example.

But if it is to be real, organic sustainable growth it will be based on talent; not just fossil fuels. On imagination; not just cutting steel.

One of my favourite quotes is from Bobby Kennedy:

“Our future may lie beyond our vision, but it is not totally beyond our control.

It is our shaping impulse that neither fate, nor nature, nor the irresistible tides of history, but rather the work of our own hands matched to reason and principle that will determine our destiny.”

Halifax has always been shaped by the **bold**. It is the same today.

If it is really Now or Never, is never really an option?

I believe in a **great** Halifax for all citizens where our challenges are overwhelmed by our opportunities and our hard work.

Where we believe in ourselves and the power to forge a destiny shaped both by those who have gone before and those yet to arrive.

I am proud to be your Mayor, to work with this Council, this community to build a better Halifax for all of us.