



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

Item No. 14.2.4
Halifax Regional Council
September 6, 2016

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: _____
Councillor Waye Mason, Chair, Community Planning and Economic
Development Standing Committee

DATE: July 29, 2016

SUBJECT: Halifax Partnership Update and Amended Services Agreement

ORIGIN

Motion passed by the Community Planning and Economic Development Standing Committee at a meeting held on July 28, 2016.

LEGISLATIVE AUTHORITY

Section 4 (b) of the Committee's Terms of Reference: 'The Community Planning and Economic Development Standing Committee shall oversee the Municipality's Economic Plan, Economic Prosperity Indicators and Immigration Action Plan by overseeing the progress of the Municipality's Economic Strategy and Outcome areas and related initiatives.'

RECOMMENDATION

The Community Planning and Economic Development Standing Committee recommend Halifax Regional Council approve the amending agreement to the Services Agreement with the Halifax Partnership that replaces the 2015/16 Schedule A with the Schedule A included as Attachment 2 to the July 11, 2016 staff report.

BACKGROUND

A staff report was submitted and considered at the July 28, 2016 meeting of the Community Planning and Economic Development Standing Committee.

DISCUSSION

The Committee endorsed the staff recommendation as noted.

FINANCIAL IMPLICATIONS

The attached staff report addresses financial implications.

RISK CONSIDERATION

The attached staff report addresses risk considerations.

COMMUNITY ENGAGEMENT

The Community Planning and Economic Development Standing Committee is a Committee of Regional Council comprised of six Councillors. The meetings are open to the public and the Committee's agendas, minutes, and reports can be viewed at Halifax.ca.

ENVIRONMENTAL IMPLICATIONS

None.

ALTERNATIVES

The Committee did not provide alternatives.

ATTACHMENTS

Attachment 1: Staff report dated July 11, 2016.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Sheilagh Edmonds, Legislative Assistant, Municipal Clerk's Office 902.490.6520



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

Item No.
**Community Planning and Economic
Development Committee**
July 28, 2016

TO: Chair and Members of Community Planning and Economic Development

SUBMITTED BY: Original Signed by

Maggie MacDonald, Managing Director, Government
Relations and External Affairs

DATE: July 11, 2016

SUBJECT: Halifax Partnership Update and Amended Services Agreement

ORIGIN

June 25, 2013: MOVED by Councillor Nicoll, seconded by Councillor McCluskey that Halifax Regional Council approve the Service Level Agreement with the Greater Halifax Partnership for a term of five years, with the ability for HRM to terminate the agreement with six months' written notice, and forward to Regional Council for approval. MOTION PUT AND PASSED.

June 2, 2015: MOVED by Councillor Mason, seconded by Councillor McCluskey that Halifax Regional Council approve the amending agreement to the Services Agreement with the Halifax Partnership that replaces the 2014/2015 Schedule A with the 2015/2016 Schedule A included as Attachment 3 to the April 24, 2015 staff report. 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. In particular, sections 70 and 71 describe a number of authorities specific to Area Improvement and Promotion, and Business and Industrial Development.

RECOMMENDATION

It is recommended that the Community Planning and Economic Development (CPED) Standing Committee recommend that Regional Council approve the amending agreement to the Services Agreement with the Halifax Partnership that replaces the 2015/16 Schedule A with the Schedule A included as Attachment 2 to this staff report.

BACKGROUND

From a policy perspective, economic development entails governments' and communities' efforts to improve the economic well-being and quality of life in their respective jurisdictions. This is often accomplished by attracting, keeping and growing jobs, and by increasing incomes and tax bases.

Halifax's lead economic development organization, the Halifax Partnership (the Partnership), was created in 1996 as a public-private partnership model with a mandate to attract, keep and grow business, talent and investment in Halifax. It provides professional economic development expertise and services to the Halifax Regional Municipality (HRM) and oversees much of the implementation of the municipality's economic strategy. The Partnership's Board of Directors includes two representatives of Regional Council as voting members, as well as the Mayor or designate and Chief Administrative Officer or designate as non-voting ex-officio members.

In June 2013, Regional Council endorsed a five-year Services Agreement with the Halifax Partnership. The body of the agreement outlines the general parameters of the relationship, including the services to be provided by the Partnership, audit and record keeping obligations, HRM's membership on the Board of Directors, the term of the agreement and termination provisions, and insurance requirements.

Schedule A of the agreement outlines shorter-term deliverables and targets, and is subject to periodic review. The current Schedule A was approved by Council in June 2015 and was intended to advance the objectives of HRM's 2011-16 Economic Strategy.

HRM's new five-year economic strategy, the *Halifax Economic Growth Plan 2016-21*, was unanimously endorsed by Regional Council on April 5, 2016.

DISCUSSION

End-of-Year Results and Recent Activities

Halifax's economy, population and employment levels all grew in 2015. The business tax base grew 5.4% to \$7.8 billion¹; employment rose 0.4% to 224,100²; personal income per capita rose 2.4% to \$43,132³; and, population increased 1.0% to 417,800⁴. Following GDP growth of 1.9% in 2015, fourth highest among the 13 cities analyzed by the Conference Board of Canada, growth for 2016 is forecast to be 2.8%, placing it second behind Vancouver's growth rate of 3.3%⁵.

Attachment 1 outlines the Partnership's performance against deliverables identified in Schedule A of the Services Agreement. The Partnership achieved 14 of 19 targets. The Partnership currently has 125 private sector investors. In 2015-16, its membership renewal rate was 95%.

Below are some of the highlights of the Partnership's activities in 2015-16 and between April and June 2016.

Halifax Economic Growth Plan 2016-21.

As mentioned, Regional Council unanimously adopted the Halifax Economic Growth plan as the municipality's new five-year economic strategy. The Partnership began rolling out the plan to

¹ Halifax Regional Municipality: Finance Department.

² Statistics Canada, CANSIM: Series 282-0135.

³ Conference Board of Canada, Metropolitan Outlook 1: Spring 2016.

⁴ Statistics Canada, CANSIM: Series 051-0056.

⁵ Conference Board of Canada, Metropolitan Outlook 1: Spring 2016.

associations, organizations and businesses throughout Halifax. Activities to date have included: a briefing to investors, the business community and public sector partners in May 2016; presentations to the Minister of Labour and Advanced Education and the Entrepreneur Society in Toronto; and, a mail-out of the plan to 400 public and private sector leaders.

Investment Attraction

The Partnership continues to collaborate with Nova Scotia Business Inc. (NSBI) and other partners to attract and retain business investment. In 2015-16, its investment and trade activities, including missions, partner referrals, and information requests contributed to six successful projects that resulted in more than 885 jobs and a \$100,000 business-to-business (B2B) contract. The Partnership is currently working on 34 investment project leads, of which four companies have shortlisted Halifax as an expansion location.

The Partnership leverages the following to attract investment to Halifax:

- **International Partnerships.** The Partnership has lead responsibility for managing Economic Relationships under the municipality's International Partnership Policy. Its international activities have focused on:
 - **World Energy Cities Partnership (WECP).** WECP is comprised of 19 cities from around the world with energy activities as a major driver of their economy. The WECP is led by the Mayors of each city with support from economic development staff.

In January 2016, the Mayor assumed the role of President of the organization for a two-year term. In April 2016, as the new Presidential city of WECP, Halifax led a business mission to Aberdeen (Scotland) and Stavanger (Norway). The mission focused on companies in the oceans and logistics sectors.

- **Norfolk, Virginia.** Halifax and the City of Norfolk, Virginia have been International Sister Cities since 2006. In September 2015, the Partnership hosted a Virginia Economic Development Partnership (VEDP) business mission to Halifax during Canadian Defence and Security and Aerospace Exhibition Atlantic. In October, the Partnership hosted a business community reception onboard HMCS Halifax at Naval Station Norfolk. More than 150 business leaders from NATO and the naval, aerospace, defense, and oceans sectors attended.
- **Aberdeen, Scotland.** Halifax and Aberdeen, Scotland have a long-standing relationship focused on developing mutually beneficial economic and cultural ties. As noted above, Halifax led a mission to Aberdeen in April 2016 as the Presidential city of WECP.
- **Consider Canada City Alliance.** The Consider Canada City Alliance (CCCA) brings together Canada's large cities – Halifax, Toronto, Montréal, Vancouver, Ottawa, Calgary, Québec City, Winnipeg, Waterloo Region, London and Saskatoon -- to improve Canada's ability to attract new investment and trade opportunities. In November, the Partnership participated in a CCCA investment and trade mission to Rotterdam, Zurich and Stockholm. More than 50 business connections were made and 20 B2B meetings took place with companies in the ICT, aquaculture, shipbuilding and marine services, and life sciences sectors. The Partnership is now managing seven investment and trade leads resulting from the mission, and working closely with its counterparts at NSBI and Canadian embassies on follow-up activities.
- **Halifax Gateway.** Through a management services agreement, the Partnership manages the Halifax Gateway Council. In 2015, it led a series of in-market activities in Europe and Chicago to educate companies on the opportunities of moving cargo and people through the Halifax Gateway. In November, for example, representatives from CN Rail, the Port of Halifax, Halifax

Stanfield International Airport and the Halifax Gateway Council undertook a business mission to London, Liverpool, Dublin, Glasgow and Aberdeen.

- **Mayor's Celebrate Business Program.** In May 2016, as part of the Mayor's Celebrate Business Program, Partnership staff and the Mayor visited Toronto to showcase Halifax's value proposition to potential investors. It included a speech by the Mayor to the Economic Club of Canada.

Business Engagement and Economic Research

In May 2016, the Partnership renewed its Memorandum of Understanding with the Black Business Initiative to continue to build the capacity of the African Nova Scotian business community. This was also an opportunity for Mayor Savage to meet with representatives from the Black business community as part of the Mayor's Celebrate Business Program.

The Partnership has also released four key research documents since March 2015:

- [The Halifax Index 2016](#) which benchmarks Halifax's progress in the areas of people, economy, quality of place, and sustainability;
- [A Generation of Change – Youth as Nova Scotia's Defining Moment](#) which outlines the current state of youth-outmigration from Halifax and Nova Scotia;
- the quarterly *Halifax Economic Report – April 2016* (Attachment 3), a snapshot of the Halifax economy that also highlights growing business confidence in the municipality; and,
- the *SmartBusiness Quarterly Report – April 2016* (Attachment 4) that presents findings from 289 interviews with business clients in 2015-2016 related to business confidence, municipal services, labour and education, infrastructure, and taxation and regulation.

Rural Economic Development.

The business needs and economic opportunities of Halifax's rural communities, particularly those outside of the city's commuter areas, are different than those in urban Halifax. To better understand and address them, in 2015 the municipality hired an intern to work with the Halifax Partnership to grow its already existing SmartBusiness presence in rural areas, and to forge greater links with rural business associations, particularly those on the Eastern Shore.

In 2015-16, 91 of the Partnership's 289 SmartBusiness interviews were with rural businesses. The *SmartBusiness Quarterly Report – January 2016* included an analysis of rural business needs and opinions based on SmartBusiness visitations conducted since 2012. The Partnership also developed a "Special Analysis: A Rural Halifax Profile" as part of the [Halifax Index 2016](#).

The Partnership has been working with Destination Eastern and Northumberland Shores (DEANS), the Atlantic Canada Opportunities Agency (ACOA), and local stakeholders to market the "100 Wild Islands", a coastal archipelago between Clam Harbour and Mushaboom Harbour, as an eco-tourism destination. In April, DEANS unveiled the Musquodoboit Harbour to Sherbrook STEP Strategic Plan to build tourism capacity and experiential product development in the area. The Partnership was actively involved in the working group tasked with the plan's development.

Business Retention and Expansion

The Partnership helps local businesses and prospective investors connect with the economic information, resources and talent they need to locate, grow and prosper in Halifax. In 2015-16, the Partnership met with 289 businesses and closed 87% of its 789 referrals to business resources.

Partnership President & CEO Ron Hanlon and the Mayor have attended seven Mayor's Celebrate Business visits with Halifax-based companies since April 2016 - Climate Technical Gear, Inland Technologies, ClearPicture, Lixar IT, Exact Deposit, and Neocon.

Workforce Attachment

The Partnership works to connect business to the talent they need through its Connector Program, Game Changers Action Plan and labour market partnerships. In 2015-16, 424 young professionals and newcomers participated in the Connector Program and 106 business leaders joined the program. One hundred and seventy-two participants found jobs in Halifax. During that time, Saint Mary's University and the Nova Scotia Community College became sponsors of the Game Changers Action Plan.

The Partnership continues to lead the Provincial Syrian Refugee Employer Working Group.

Amended Schedule A of the HRM-Halifax Partnership Services Agreement

The proposed Schedule A (Attachment 2) is aligned with the Halifax Economic Growth Plan. The body of the Services Agreement is unchanged.

HRM will provide quarterly reports on Schedule A activities and the implementation of the Halifax Economic Growth Plan beginning in Fall 2016.

FINANCIAL IMPLICATIONS

There are no financial implications arising from this report. Schedule A activities will be undertaken using funds already approved in the 2016-17 operational budget.

RISK CONSIDERATION

There are no significant risks associated with the recommendation in this Report. However, there are risks associated with the alternatives listed below.

Recommendation: Community Planning and Economic Development (CPED) Standing Committee recommend that Regional Council approve the amending agreement to the Services Agreement with the Halifax Partnership that replaces the 2015/16 Schedule A with the Schedule A included as Attachment 2 to this staff report.

Risk	Likelihood (1-5)	Impact (1-5)	Risk Level (L/M/H/VH)	Mitigation
None	None	None	None	None

Alternative 1: Not recommend approval of the updates to Schedule A of the Services Agreement. The current Schedule A of the Services Agreement would remain in force.

Risk	Likelihood (1-5)	Impact (1-5)	Risk Level (L/M/H/VH)	Mitigation
Misalignment between HRM and Halifax Partnership activities	3	1	Low	<ul style="list-style-type: none"> Ensure alignment through the implementation of the Halifax Economic Growth Plan Increase Halifax Partnership presence at Regional Council, as currently allowed in the Services Agreement
Reduced Partnership accountability to Regional Council	3	1	Low	

Alternative 2: Make amendments to updates to Schedule A of the Services Agreement. The amendment Schedule A would be presented to CPED and Regional Council at a later date.

Risk	Likelihood (1-5)	Impact (1-5)	Risk Level (L/M/H/VH)	Mitigation
Temporary misalignment between HRM and Halifax Partnership activities	3	1	Low	Clarify to the Partnership Regional Council's intention to have Schedule A amended in the near future
Temporary reduced accountability to Regional Council	3	1	Low	While Schedule A is being amended, increase the Partnership's presence at Regional Council, as currently allowed in the Services Agreement

COMMUNITY ENGAGEMENT

There was no community engagement in the preparation of this report.

ENVIRONMENTAL IMPLICATIONS

The new Schedule A of the Services Agreement is aligned with the Halifax Economic Growth Plan which states that Halifax's overall growth objectives must be aligned with environmental policy measures such as carbon pricing, revised building codes, and heightened emphasis on public transit.

ATTACHMENTS

- ATTACHMENT 1: 2015-16 Schedule of Activity Report Card
- ATTACHMENT 2: Proposed Amending Agreement and Schedule A
- ATTACHMENT 3: *Halifax Economic Report – April 2016*
- ATTACHMENT 4: *SmartBusiness Quarterly Report – April 2016*

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Jake Whalen, Senior Advisor, Economic Policy & Development, 902-490-2349

Report Approved by: Original Signed by:
Maggie MacDonald, Managing Director,
Government Relations and External Affairs, 902-490-1742

**Attachment 1:
2015-16 Schedule of
Activity Report Card**

HRM and Halifax Partnership Service Level Agreement
SCHEDULE A – Year-end Progress Report
for the Period April 1, 2015 to March 31, 2016

May 15, 2016

STRATEGY	ACTIONS	OUTCOME MEASURES	TARGETS	Year End Results (Cumulative)	Priority Deliverables for HRM
<p>1. Connect Halifax business to the public and private sector resources and talent they need to grow and prosper.</p>	<p>1.1 Through targeted, in-depth consultation and intelligence gathering, develop strategies to address the company specific and company common needs of business.</p> <p>1.2 Connect business to emerging talent and skilled professionals who are ready to work and will give business a competitive advantage.</p>	<p>#1 - Increase the number of jobs created and retained.</p> <p>#2 – Positively impact systemic issues uncovered through BRE visitations.</p>	<p>1.1 >500 jobs created and retained</p> <p>1.2 > 150 Connector participants find jobs</p> <p>2. > 2 systemic issues uncovered</p>	<p>TARGET ACHIEVED</p> <ul style="list-style-type: none"> ▪ 289 retention visits: 204 have been with SMEs, 57 HROs; ▪ 789 referrals generated; ▪ 503 business consultations; ▪ Retentions: 1; and, ▪ Expansions: 39 ▪ Jobs Created & Retained: 510+; ▪ Smart Business Report – April 2016 attached (Year End Results for 2015-16) <p>TARGET ACHIEVED</p> <ul style="list-style-type: none"> ▪ 172 Connector participants found jobs <p>TARGET ACHIEVED:</p> <p>3 Systemic Issues Uncovered: Construction and Development Industry identified challenges with regulatory environment. Ongoing meetings with HRM Planning and Development. Ease of Doing Business identified as a priority on 2016-21 Growth Plan.</p> <p>In conversation with the Office of Regulatory Affairs and</p>	<ul style="list-style-type: none"> • Business Retention and Expansion Program (SmartBusiness) >200 company diagnostic face-to-face surveys • Increase support to businesses outside the regional centre, over current levels, with resource from HRM's Bridging the Gap program • Halifax Connector Program • Participation on the Local Immigration Partnership • Support of the Mayor's reception for international students • >200 companies visited and quarterly results provided • Mayor's Celebrate Business Program • Facilitation and Support to ANS Community Projects

HRM and Halifax Partnership Service Level Agreement
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May 15, 2016

STRATEGY	ACTIONS	OUTCOME MEASURES	TARGETS	Year End Results (Cumulative)	Priority Deliverables for HRM
	1.3 Work in the ANS Community to facilitate and assist community organizations in the development of strategic and/or project plans.	#3 – Create an overarching economic strategy for the 6 ANS communities in Halifax	3. ANS Community Economic Development Strategy developed	<p>providing them with long-run SmartBusiness data on Provincial Regulation. This includes an assessment of 12 years of retention visits, action items, and quantitative data to assist their regulatory/permitting reform efforts.</p> <p>Convened a group of public and private sector stakeholders in response to regulatory challenges faced by the Music Industry. Dialogue ongoing.</p> <p>TARGET NOT ACHIEVED</p> <ul style="list-style-type: none"> Deferred -- ANS community consulted in Economic Strategy renewal process. 	
#2 Market Halifax to attract high-value, high-potential business investment	<p>2.1 Leverage existing local, national and international relationships and cultivate new relationships to increase the awareness of the Halifax value proposition.</p> <p>2.2 Implement a marketing and communications program to generate investment leads.</p>	<p>#4 – Increase the number of jobs created and retained.</p> <p>#5 – Generate qualified leads and closes.</p>	<p>4. >500 jobs created and retained</p> <p>5. Generate >10 qualified leads > 2 closes</p>	<p>TARGET ACHIEVED</p> <ul style="list-style-type: none"> 885 jobs created and retained <p>TARGET ACHIEVED</p> <ul style="list-style-type: none"> 18 Leads were qualified (TOTAL: 40) 	<ul style="list-style-type: none"> Support Business Inbound Missions and Ambassador/Diplomatic Missions Member of Consider Canada Cities Alliance (1 of 11 Canadian Cities) Participate in World Energy Cities Partnership

HRM and Halifax Partnership Service Level Agreement
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May 15, 2016

STRATEGY	ACTIONS	OUTCOME MEASURES	TARGETS	Year End Results (Cumulative)	Priority Deliverables for HRM
	2.3 Coordinate/ensure effective and timely responses to information requests.	#6 – Improve the success of potential business investment into the Halifax market through connecting and facilitating company-specific visits to Halifax.	6. Connect and facilitate 12 company specific visits to Halifax	<ul style="list-style-type: none"> ▪ 6 Closes (includes 885 jobs + \$100k B2B contract) <p>TARGET ACHIEVED</p> <ul style="list-style-type: none"> ▪ Facilitated 15 Company Specific Visits to Halifax <p>6 Inbound Missions:</p> <ol style="list-style-type: none"> 1. April 2015 - Texas EMBA Delegation 2. June 2015 – Aberdeen Delegation 3. September 2015 – Norfolk, Virginia Delegation 4. September 2015 – Spain Delegation 5. September 2015 – China Delegation 6. December 2015 – CN <p>8 Outbound Missions</p> <ol style="list-style-type: none"> 1. May 2015 - Houston (OTC/WECP) 2. May 2015 - Europe 3. June 2015 - UK 4. June 2015 - Chicago 5. September 2015 - Norfolk 6. Nov 23-27 - Participated in Consider Canada City Alliance Mission to Rotterdam, Zurich and Stockholm. 7. November 22-27 Halifax Gateway Mission to London, Liverpool, Dublin, Glasgow and Aberdeen. 	<ul style="list-style-type: none"> • Develop and manage the Internal Partnerships for Halifax (Aberdeen, Norfolk) • Capitalize on opportunities for development of industry sectors (e.g. Oceans) • Promote and maintain up to date Halifax Business Case for Investment (whyHalifax.com)

HRM and Halifax Partnership Service Level Agreement
 SCHEDULE A – Year-end Progress Report
 for the Period April 1, 2015 to March 31, 2016

May 15, 2016

STRATEGY	ACTIONS	OUTCOME MEASURES	TARGETS	Year End Results (Cumulative)	Priority Deliverables for HRM
	2.4 Develop a FDI Strategy with a focus on key markets and an emphasis on China.	#7 – Develop an FDI Strategy.	7. Strategy developed	8. October 20 –World Energy Cities Partnership AGM in Rio de Janeiro. Mayor Savage assumes the role of President in January 2016. TARGET ACHIEVED FDI Strategy developed	
#3 - Strengthen private sector engagement to lead the economic growth of Halifax	3.1 Engage private sector investors in leading the economic strategy and achieving One Nova Scotia Report goals	#8 – Client service metric – Do you feel the Partnership is leading the economic goals of Halifax?	8. Benchmark created	TARGET ACHIEVED Benchmark created <ul style="list-style-type: none"> ▪ Board Members: 40% agree, 10% strongly agree ▪ Investors: 65% agree, 18% strongly agree <i>(Source: May 2015 Board Survey and March 2015 Investor Survey)</i>	<ul style="list-style-type: none"> • Renewed economic strategy reflects private sector growth focus and private sector input • Develop a private sector engagement strategy in response to One Nova Scotia Report - Now or Never • Support the Sheet Harbour Area Chamber of Commerce community economic planning
	3.2 Mobilize private sector and community stakeholders to collectively identify and respond to threats and opportunities	#9 Increase awareness and perceived value of the Halifax Partnership	9. Increase the share of businesses that are “completely” or “moderately” favourable with the Partnership by 4.0% (gross)	TARGET NOT ACHIEVED <ul style="list-style-type: none"> ▪ Benchmark - 57% of businesses are completely or mostly favourable with the Partnership <i>(Source April 2015 Business Confidence Survey)</i> ▪ 51% of businesses are completely or mostly favourable with the Partnership <i>(Source: April 2016 Business Confidence Survey)</i> ▪ Four quarterly economic snapshots released (April, August, October and January 2016) 	
	3.3 Provide investor first awareness and insight on economic growth opportunities.				

HRM and Halifax Partnership Service Level Agreement
 SCHEDULE A – Year-end Progress Report
 for the Period April 1, 2015 to March 31, 2016

May 15, 2016

STRATEGY	ACTIONS	OUTCOME MEASURES	TARGETS	Year End Results (Cumulative)	Priority Deliverables for HRM
		#10 Increase investor satisfaction with the Halifax Partnership	10. Increase the share of investors are “extremely satisfied” with the value they receive from the Partnership by 6% (gross)	2016 SURVEY CURRENTLY IN MARKET <ul style="list-style-type: none"> Benchmark - 27.3% Investors extremely satisfied (<i>Our goal becomes 33.3%</i>) (Source: March 2015 Investor Survey) 	
		#11 Increase the value of private sector investment in the Halifax Partnership	11. >95 renewal >= \$50K increase in private sector cash investment	TARGET NOT ACHIEVED <ul style="list-style-type: none"> >95% renewal 6 New Investors Cash investment remained stable at \$469,000 (unaudited) 	
# 4 -- Provide market and competitive economic intelligence, analysis and thought leadership on the Halifax economy.	4.1 Produce the Halifax Index and economic reports and communicate broadly. 4.2 Position the Partnership as the lead economic development organization and the go to source for economic development research. 4.3 Undertake, and communicate broadly economic, sectorial and competitiveness research. 4.4 Provide thought leadership, analysis and work to improve government policy affecting business issues.	# 12 - Increase awareness and perceived value of the Halifax Partnership with key stakeholders (local private sector and all 3 levels of government) #13 -Provide direct input on major policy that will positively impact high wage, high growth sectors	12. > increase in positive response to Halifax Partnership surveys, including investor survey CRA Survey and other client-centered surveys developed through the Client Services Delivery Model (see strategy #5) 13. Provided direct input on 2 major policy initiatives that positively impact high wage, high growth sectors	TARGET NOT ACHIEVED <ul style="list-style-type: none"> Investors steady at 88% (prev. 89%) satisfied. SmartBusiness clients steady at 86% (prev. 86%) useful. (CRA) General business decrease to 51% (prev. 57%) favourable. TARGET ACHIEVED <ul style="list-style-type: none"> Lead the review and renewal of 2011-16 Economic Strategy Contributed to the One NS Coalition Team providing direct input on “A New Deal for Youth” Provided economic advice in discussion with 	<ul style="list-style-type: none"> With HRM, lead renewal of Halifax's economic strategy Present the 2015 Halifax Index CRA Annual Confidence Survey Continued support of Bold Halifax movement Provide economic analysis to HRM as required to facilitate informed decision making, including, e.g. independent review of HRM's taxi rate per Administrative Order 39

HRM and Halifax Partnership Service Level Agreement
 SCHEDULE A – Year-end Progress Report
 for the Period April 1, 2015 to March 31, 2016

May 15, 2016

STRATEGY	ACTIONS	OUTCOME MEASURES	TARGETS	Year End Results (Cumulative)	Priority Deliverables for HRM
				HRM on commercial property tax incentives. <ul style="list-style-type: none"> Developed economic impact report for Canadian-Lebanese Chamber of Commerce. Completed the Business Confidence Survey, April 2015, with results released in the Halifax Index. Collaborated with EngageNS on the Nova Scotia Attitudes Survey, with the results presented at the Stepping Up conference in June 2015. >10 media articles/mentions providing economic expertise and thought leadership on Halifax economy 	
#5 -- Pursue an organizational culture of client focus, innovation and excellence	5.1 Ensure effective board oversight, including risk and financial management and implementation. 5.2 Ensure innovation, effectiveness and efficiencies in operations through regular evaluation of activities and financial performance. 5.3 Demonstrate innovation in organization's programs and services. 5.4 Develop a client/investor feedback mechanism to measure impact and	# 14 - Improve financial stability # 15 - Maintain or improve Board effectiveness (communication, engagement, innovation and risk management)	14. >\$40k invested in the reserve 15.1 Implement strategies to address improvements required as identified in annual Board surveys 15.2 Hold a special Audit and Risk Committee meeting to review the risk management program, with an invite to any Board member. Implement recommended changes.	TARGET ACHIEVED TARGET ACHIEVED Survey results presented to Corporate Governance Committee on October 26 th and Board of Directors on November 25 th . TARGET ACHIEVED Enterprise Risk Framework and new policy presented to Audit Committee on September 9 th	<ul style="list-style-type: none"> Mayor, CAO and two Councillors sit as members of the Board of Directors Regular reporting to the Community Planning and Economic Development Committee and Regional Council, CAO and Government Relations and External Affairs

HRM and Halifax Partnership Service Level Agreement
 SCHEDULE A – Year-end Progress Report
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May 15, 2016

STRATEGY	ACTIONS	OUTCOME MEASURES	TARGETS	Year End Results (Cumulative)	Priority Deliverables for HRM
	effectiveness in client service.	#16 - Improve organizational effectiveness, including innovation through IT and HR practices # 17 - Improve and focus on client service delivery with a "business first" focus	16. Implement strategies to address improvements identified through a semi-annual employee survey 17. Develop a Client Services Delivery Model and implement strategies, including CRM system, to address client needs as identified in survey feedback	TARGET ACHIEVED Semi Annual Survey completed July 2015 TARGET NOT ACHIEVED Client services delivery model developed. CRM system implementation underway. Q1 2016-17.	

Attachment 2:
Proposed Amending
Agreement and
Schedule A

AMENDING AGREEMENT

BETWEEN:

HALIFAX REGIONAL MUNICIPALITY, a body corporate

(hereinafter referred to as "HRM")

OF THE FIRST PART

and -

**THE HALIFAX REGIONAL BUSINESS AND COMMUNITY
ECONOMIC DEVELOPMENT ASSOCIATION**, a body corporate
doing business as "**Halifax Partnership**"

(hereinafter referred to as the "Partnership")

OF THE SECOND PART

WHEREAS HRM and the Partnership are parties to a Services Agreement dated 8 July 2013, as amended from time-to-time (the "Services Agreement");

AND WHEREAS Section 2.01(g) of the Services Agreement contemplates HRM and the Partnership agreeing, by mutual consent, to amend key deliverables, as particularly described in Schedule A of the Services Agreement;

AND WHEREAS the parties wish to amend the Services Agreement on the terms and conditions set out in this Amending Agreement.

NOW THEREFORE in consideration of the mutual covenants and promises herein contained and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each of the parties) the parties agree as follows:

1. New Schedule A

Schedule A of the Services Agreement be and hereby is deleted in its entirety and is replaced with a new Schedule A attached hereto.

2. Confirmation of Agreement

This Amending Agreement shall, on the date of its execution, be read and construed with the Services Agreement, and be treated as part thereof, and for such purpose insofar as may be necessary to effectuate this Amending Agreement, the Services Agreement is hereby amended; and the documents as so amended, together with all the covenants and provisos thereof, shall remain in full force and effect and the parties will observe and perform all of the covenants, conditions and provisos contained in the Services Agreement as hereby amended.

3. Successors and Assigns

This Amending Agreement shall enure to the benefit of and be binding upon each of the parties and their respective successors and permitted assigns.

4. Governing Law

This Amending Agreement and its application and interpretation shall be governed by and construed in accordance with the laws prevailing in the Province of Nova Scotia.

IN WITNESS WHEREOF the parties have executed this Amending Agreement to take effect on the ____ day of _____, 2016.

HALIFAX REGIONAL MUNICIPALITY

Witness

Per: _____
Mayor

Witness

Per: _____
Municipal Clerk

**THE HALIFAX REGIONAL BUSINESS AND
COMMUNITY ECONOMIC DEVELOPMENT
ASSOCIATION**

Witness

Per: _____
Chief Executive Officer

Witness

Per: _____
Chair of the Board
(I have authority to bind the Partnership)

**Halifax Economic Growth Plan
2016-21 -- 5-Year Goals**

**Halifax Economic
Growth Plan 2016-21 -- 5-Year
Objectives**

**Halifax Economic Growth Plan 2016-21 --
Year 1-2 Actions**

Organization's Outputs & Targets

<p>1. Promote & Maximize Growth [Grow Halifax's GDP to \$22.5 Billion by 2021]</p>		
<p>1.1 Make Halifax an easier place to do business.</p>	<p>1 Develop an approach to red tape reduction for HRM. (Led by HRM)</p>	<p>Provide HRM with relevant research and provide assistance as needed.</p>
	<p>4 As part of the Halifax Charter Review, identify potential powers and approaches HRM could adopt to grow Halifax's economy. (Led by HRM)</p>	<p>Economic development perspective provided through the course of the Charter Review.</p>
	<p>7 Benchmark business-climate indicators and communicate them to business.</p>	<p>Business Climate Indicators - included in the Halifax Index</p>
	<p>8 Enhance the Halifax Partnership's Business Retention and Expansion Program to connect business to resources and inform regulators of company common issues.</p>	<p>>250 SMEs (<100 employees) retention visits (diagnostic surveys) completed >Client Satisfaction Survey >75% satisfaction rating (a total of respondents who found the visit useful, or very useful) >350 business follow-up consultations >40 face-to-face meetings with action team members Generate >300 business referrals Successfully close 75% of issues identified > 4 company common issues identified and shared with regulators • Host Annual Action Team Appreciation Event (Q4) • Co-Sponsor Reverse Trade Show (Q3 or Q4) • Identify one Success Story each Month • Review/update questions related to increasing trade capacity to align with NSBI & EDC programming and service offerings</p>
	<p>9 In collaboration with economic development stakeholders, create an online business support hub for businesses to access the services, programs and tools they need.</p>	<p>Year 1: Collaborate with partner organizations and complete research requirements and framework design for online business support hub.</p>
	<p>10 Provide the most up-to-date, relevant economic information on Halifax to help businesses relocate, stay and grow in Halifax.</p>	<p>Halifax value proposition and industry sector profiles updated 4 Quarterly Economic Reports 2016 Halifax Index produced and presented to community</p>
	<p>11 Provide aftercare to new companies that have chosen Halifax as a new location for their business and make connections to the programs, resources and talent needed for their continued growth.</p>	<p>>5 Aftercare Clients Visited and Connections to Resources Made</p>
	<p>12 Communicate to the local business community opportunities arising from new international trade agreements.</p>	<p>Collateral developed summarizing trade agreement opportunities Direct e-marketing campaign to distribute collateral</p>
	<p>13 In collaboration with economic development partners, refine and amplify Halifax's value proposition to position Halifax on the world stage.</p>	<p>Halifax Value proposition and industry sector profiles updated.</p>
	<p>14 Ensure alignment an collaboration on investment attraction and FDI aftercare activities related to Halifax.</p>	<p>Develop an alignment plan between all three levels of government to respond to FDI Convene discussion with NSBI/GAC/ACOA to share plans and find alignment opportunities/synergy to move ahead in a collaborative fashion for Halifax.</p>

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Organization's Outputs & Targets

1.2. Work nationally and internationally to attract investment and increase trade.	15	Leverage existing local, national and international relationships, and cultivate new relationships, (e.g. International Partnerships, WECP, CCCA) to increase the awareness of the Halifax value proposition.	<p>CCCA: Attend Annual Board Meeting and Working Meeting (2)</p> <p>World Energy Cities: Chair, Marketing Communications Committee of WECP May 1-4, 2016 Working Meeting, Houston, Texas October, 2016 - WECP AGM, Cape Town, South Africa</p> <p>International Partnerships: Norfolk – Sept / October 2016: Speaking opportunity for Mayor Savage in Norfolk Provide management, oversight and implementation of MOU with Aberdeen (Entering year 3 of 3 in September) Support Halifax-Norfolk Committee Goals - support inbound business mission (engage Consultant and hosting costs) International Partnerships Mayor Savage led business outreach mission to Aberdeen, Scotland and Stavanger, Norway. 1st quarter of the year April 17 – 22nd, 2016</p>
	16	Expand the Mayor's Celebrate Business Program (Celebrate Halifax) to include targeted visits to major centres in Canada and the United States that showcase Halifax's value proposition. [Co-Led with HRM]	Develop and Execute a Plan to deliver Mayor's Celebrate Halifax - Value Proposition Visits to three North American Cities.
	17	Assess the role the Municipality could play in a potential air route development fund. [Co-Led with HRM]	Provide HRM with historical background and research to assist HRM's determine the feasibility of an Air Route Development Fund.
	18	Produce a 5-Year Strategic Growth Plan for the Halifax Gateway.	5 Year Gateway Strategy Developed (External Consultant)
	N/A	Raise awareness of the Halifax Gateway value proposition in key markets.	<ul style="list-style-type: none"> Air Gateway, implementation of the joint marketing initiatives (subject to project funding approval) – Measure increase in seats sold and awareness (responses to contests and website hits (tourism and HIAA) Free Trade Zone mission(s), proposal to be written and submitted timeline: 3rd/4th quarter of the year – 30 leads Creation of the Marketing Committee for the Halifax Gateway and activities – 1st quarter – Measure: development of marketing plan Creation of the Energy Committee for the Halifax Gateway and activities – 1st quarter - Website Updates – Halifax Gateway Council
N/A	Provide orientation services for inbound business and diplomatic missions.	Host > 3 Inbound Missions, potentially in: Aberdeen/June Norfolk/September Glasgow/June	
1.3. Improve the conditions for innovation and entrepreneurialism.	19	Increase awareness of R&D capabilities and interests within Halifax universities and opportunities for business to connect.	R&D Capabilities Researched - Infographic Developed and Circulated to Business through Direct Mail
	20	Increase connectivity with and build capacity of African Nova Scotian and urban aboriginal organizations engaged in economic development. [Co-Lead with HRM]	MOU with BBI Activity Plan Developed and Implemented for work with Aboriginal Community
	21	Facilitate connections between small and large businesses around opportunities for increased innovation.	Facilitate >2 connections through SmartBusiness

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		22	Promote the growing network of for-profit business and social enterprise incubation facilities that offer shared space and access to business expertise.	Through marketing and communication channels raise awareness
		23	Through the SmartBusiness Program connect businesses with post-secondary R&D capabilities and other resources.	Facilitate >2 connections through SmartBusiness
	1.4. Collaborate around major projects to maximize their impact on the economy.	24	Develop a SWOT-team approach for economic development players to maximize existing and proposed major projects (e.g. offshore exploration, shipbuilding [including supply chain opportunities]).	Collaborative, aligned action plan(s) developed
		26	Capitalize on major project opportunities to attract new foreign direct investment.	Major Project Opportunity Map Updated and shared as part of Halifax Value Proposition Materials
		27	Work with industry stakeholders to raise awareness and maximize major project opportunities in the Oceans Sector (e.g. COVE).	Collaborative Oceans Sector Marketing Plan and Toolkit developed and implementation underway OceansInnovators.com website launched Benchmark website activity
		32	In consultation with rural partners, assess the feasibility of a Halifax Rural Index. [Co-Led with HRM]	Rural Index - ready to be included in 2017 Halifax Index
	1.5. Promote clustering of people and business in urban and rural areas.	33	Assess the feasibility of a rural action team to foster rural economic development. (Led by HRM)	Assist HRM in scoping out a rural action team approach to economic development.
		N/A	Support the implementation of the Musquodoboit-Sherbrooke STEP Strategic Plan to build tourism capacity on the Eastern Shore.	Participate as needed.
		N/A	Work with the Sheheet Harbour Chamber of Commerce to identify and address economic development issues on an ongoing basis.	Issues identified and addressed.
		N/A	Provide the research needed to increase broadband connectivity in rural HRM.	Produce a report outlining the current state of broadband connectivity issues in rural HRM.
2. Attract and Retain Talent [Grow Halifax's labour force to 271,000 by 2021]	2.1. Create opportunities for youth, including international students, to put down roots in Halifax.	35	Continue the Connector Program to connect local and international graduates, young professionals, and immigrants to the labour force.	<ul style="list-style-type: none"> • 100 additional Connectors • 50 re-engaged Connectors • 400 additional Connectees – including Newcomers, International students, recent grads and laid-off workers. >150 Connectors find Jobs
		36	Through the Game Changer Action Plan, raise local business community's awareness on the benefits of hiring young professionals without experience.	>100 youth find jobs through Halifax Connector Program annually Assist >10 companies to hire youth
		37	Increase the business community's awareness of, and access to, labour market information and resources.	Labour Market Portal Developed Benchmark established for user access

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Organization's Outputs & Targets

		38	Assemble existing, and develop new, marketing collateral and events as part of a <i>Welcome Like No Other Program</i> targeting international students and immigrants. [Co-Lead with HRM]	"Welcome Like No Other Program" plan developed and implementation underway. Benchmark established for measurement.	
		39	Communicate private sector labour market needs to the post-secondary/public sectors to improve programs and the supply of labour.	Halifax labour market needs (includes 3-year forecast) report provided to Halifax University Presidents.	
		N/A	With funding from Planning for Canada, implement the Pre-Arrival Connector Program to provide Direct access to pre-screened internationally trained professionals with permanent resident status.	>1000 internationally trained referrals pre-screened for intake to the National Connector Program >40 pre-screened, permanent residents choose Halifax are choosing Halifax as a destination	
	2.2. Attract immigrants and expatriates to Halifax.		40	Compile an inventory and increase awareness of the initiatives/programs that assist immigrants integrate into Canada's labour market.	Inventory compiled Awareness, engagement plan implemented
			41	Share Halifax value propositions with universities, employers and public sector partners working to attract students and employees to Halifax.	Value proposition toolkit for student/employee attraction developed Shared with 6 PSEs and >4 major employers
			42	Work with provincial stakeholders to identify ways to leverage Halifax's migrant communities to attract talent and investment to Halifax.	Identify migrant communities and include in alignment and response plan.
	2.3. Promote private sector involvement in co-op and experiential learning.		43	Expand the Halifax Connector Program and Game Changer Action Plan to include experiential learning.	>100 New Participants Enrolled in the Experiential Learning Stream of the Connector Program >50 additional Business Leaders are enrolled as Connectors >50 students are offered EL opportunity
			44	Support the efforts of organizations working to promote skilled trades and apprenticeship-related career opportunities for youth.	Value proposition toolkit for student/employer attraction developed and shared with high school guidance counsellors in HRSB.
			45	Support the rollout of the Connector Program across the province.	Deliver Connector Program training to new Connector communities as requested through the Regional Enterprise Networks.
	2.4. Increase workforce attachment and combat systemic barriers.		46	In collaboration with provincial partners, BBI, the Mi'kmaw Friendship Centre and education providers, assess existing programs, services and outcomes related to the workforce attachment of urban aboriginals, African Nova Scotians and other groups at risk of exclusion.	Development of the labour market portal Groups are engaged in the Connector Program Partnership provides social media marketing training session to groups (2 per year) Promotion of events, programs and services offered through Partnership web and social media channels Benchmark program measures in Year 1
3. Make Halifax a Better Place to Live & Work <i>[Grow Halifax's population to 470,000 by 2021]</i>	3.6. Foster cultural proficiency and social inclusion.	66	Research and share successful practices with business on how to be culturally competent/proficient.	Cultural competence research completed and shared.	
	3.7. Showcase Halifax to encourage people to visit, live, and work here.	69	With economic development and tourism partners, present trade and investment opportunities, as well as tourism offerings to conference delegates.	Present trade and investment opportunities to delegates (>2 conferences)	
		72	Leverage the media and Halifax Partnership private sector investor network to promote examples of Halifax's business culture and success stories.	>12 Business Success Stories Shared through Social Media	
		73	Develop and publish <i>The Halifax Index</i> -- a single information source of annual data on the state of Halifax's economy, people, quality of place and sustainability.	2016 Halifax Index Published 2016 CRA Business Confidence Survey 2016 City Matters Survey	

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Organization's Outputs & Targets

4. Align Economic Development <i>[Increase alignment and collaboration]</i>	4.1. Increase awareness of the role Halifax plays in Nova Scotia's and Canada's economic development.	74	Ensure that Halifax's importance to the provincial economy is a key message in communications.	Messaging is incorporated and communicated through various channels (e.g. Index, website).
		75	Share best practices in economic development with other partners and agencies in Nova Scotia.	Best Practices Shared with RENS and Municipal Affairs.
	4.2. Improve coordination of economic development activities.	76	Develop a mechanism to strengthen BID-HRM collaboration on economic development matters (led by HRM).	Chair semi-annual meetings between the Partnership, HRM, BIDs on issues of strategic importance.
		77	Develop an alignment plan for responding to FDI opportunities between municipal, provincial, and federal partners.	Alignment plan developed.
		78	With the Province, explore the feasibility of establishing a table of senior government leaders to address, on an ongoing basis, economic development issues of common interest. [Co-Lead with HRM]	Economic Development Table to address common issues established.
		79	In accordance with <i>We Choose Now</i> Recommendation 1.5, work with the Province to identify business growth opportunities for densely populated disadvantaged communities.	Value Proposition developed for >1 business growth opportunity for densely populated disadvantaged community. (e.g. old Convergys facility in North End Dartmouth)
		N/A	Explore the potential development of a long-term capital/financial plan for HRM. (Led by HRM)	Provide an economic development perspective on HRM's potential development of a long-term capital/financial plan.
	4.3. Monitor the Economic Growth Plan's progress and adapt actions as required.	80	Host the public-facing Annual State of the Economy Forum to unveil the annual Halifax Index and galvanize stakeholders around Halifax's economic challenges and opportunities.	State of the Economy Forum held (>200 in attendance)
		81	Implement a mechanism for sharing Halifax's economic progress with the Province towards the <i>Now or Never</i> and <i>We Choose Now</i> recommended goals and actions.	Mechanism developed for sharing Halifax Economic Strategy progress and economic indicators with the Province.
		82	Develop and implement a community outreach plan to ensure stakeholders are informed on the progress and results of the strategy implementation. [Co-Led with HRM]	Community Outreach plan for Economic Strategy developed.
		83	Identify new opportunities for greater collaboration and alignment of economic development priorities with other orders of government and the private sector. [Co-Led with HRM]	>2 opportunities identified for greater collaboration identified with other orders of government
		84	Monitor Economic Growth Plan's progress and identify emerging opportunities and challenges. Provide quarterly progress reports to CPED and Regional Council.	Economic Strategy quarterly progress reports provided to CPED and Regional Council.
	Pursue an organizational culture of excellence and client focus.	N/A	Measure the awareness, impact and effectiveness of the Partnership and client service delivery.	Increase # of businesses favourable with the Partnership (benchmark - 51% April 2016 Business Confidence Survey) Maintain the share of SmartBusiness clients who found the service useful (benchmark 86% SmartBusiness follow-up survey).
		N/A	Retain and grow private sector investment.	95% renewal rate of private sector investors \$50,000 increase in private sector investment
N/A		Leverage the Municipality's investment in the Partnership to attract other funding.	Meet the 2016-17 revenue target of \$3.8 million (with HRM contribution of \$1.66 million).	

Attachment 3:
*Halifax Economic Report -
April 2016*



Halifax Economic Report

APRIL 2016

Ian Munro
Chief Economist

Ryan MacLeod
Economist

Halifax Economic Report – April 2016

Highlights

- 2016 is expected to be a strong year for economic growth in Halifax, with the Conference Board of Canada forecasting GDP growth among the strongest in Canada.
- The year has started on a steady footing, with a strong start in construction and consumer markets. However, labour market numbers for the first quarter are weak compared to a very strong start last year.
- The 2016 Business Confidence Index shows a considerable pickup in optimism among Halifax businesses this year, in contrast to weaker business confidence nationally.

Current Economic Indicators for Halifax	Period	YTD 2015	YTD 2016	% Change
Labour Markets				
Real GDP at basic prices (2007 \$ millions)	Annual	19,104	19,653(f)	2.9%
Population (Thousands)	Annual	417.8	422(f)	0.9%
Employment (Thousands)	Jan-Mar	224.5	223.3	-0.5%
Unemployment rate (%)	Jan-Mar	6.5%	7.2%	0.7
Labour force (Thousands)	Jan-Mar	240.0	240.6	0.2%
Participation rate (%)	Jan-Mar	69.2%	68.4%	-0.8
Consumer Markets				
Average weekly earnings (Current \$)	Jan-Mar	866	888	2.5%
Consumer price index (2002 = 100)	Jan-Mar	127.0	128.5	1.5%
Retail sales (Current \$ millions)	Jan-Feb	1,078	1,166	8.2%
Aircraft Passengers (Thousands)	Jan-Mar	764	794	3.9%
Cruise ship passengers (Thousands)	-	-	-	-
Containerized Cargo (Thousands TEUs)	Jan-Mar	89.4	114.4	28.0%
Housing and Construction Markets				
Housing starts	Jan-Mar	86	357	315.1%
Housing resales	Jan-Mar	868	1,017	17.2%
Value of building permits (Current \$ millions)	Jan-Feb	120.9	100.6	-16.8%
Non-residential construction (2007 \$ millions)	Jan-Mar	90.8	88.4	-2.6%

(f) - Forecasted Data

Sources: Statistics Canada, Canada Mortgage and Housing Corporation, Conference Board of Canada, Halifax International Airport Authority, Port of Halifax

The first quarter of 2016 has started well for Halifax on many fronts. Housing construction and consumer markets have seen strong a strong start to the year. However, the labour market displayed some disappointing year-over-year growth numbers, in part owing to a very strong first quarter in 2015.

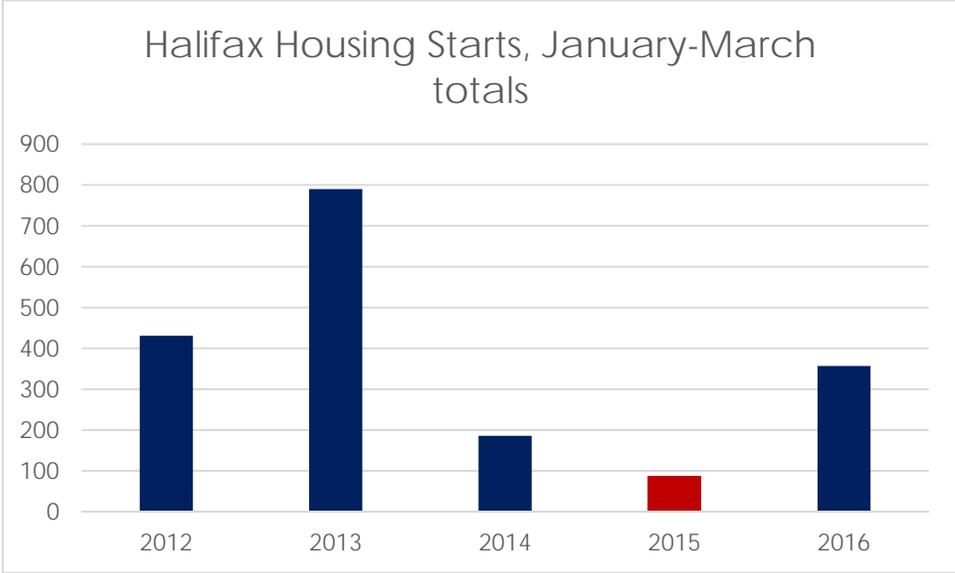
Following GDP growth of 2.8% in 2015, fourth highest among the 28 cities analyzed by the Conference Board of Canada, growth for 2016 is forecast to be 2.9%, good for second place behind Vancouver’s growth rate of 3.3%. The transportation and warehousing, wholesale and retail trade, and industrial sectors are forecast to lead the way on GDP growth for 2016, with these three sectors all boasting rates above 4%. Even the slowest-growing sector, non-commercial services, is anticipated to show positive growth. Work at the Halifax Shipyard continues to be a strong driver of growth in the Halifax economy.

Halifax Economic Report – April 2016

In the housing and construction sector, housing starts for the first quarter of 2016 were a whopping 315.1% over 2015 figures. This huge increase is in part due to a fairly weak first quarter in the winter of 2015, which was marked by record-breaking bad weather. Growth was driven by apartment starts, which broke 240 units, compared to no new units begun by that time a year ago. Resales of homes also showed significant gains over last year’s levels, and again, this may be explained to some extent by bad weather keeping would-be house-hunters inside during the vicious winter of 2015. In contrast to these increases, the values of non-residential construction and building permits fell by 2.6% and 16.8%, respectively.

Consumer markets also displayed strength in the first quarter of 2016, with retail sales up 8.2% year-to-date to February. It should be noted that part of this strong year-on-year increase is explained by particularly weak figures in early 2015 as a result of substantial drops in gasoline sales at that time. Looking at prices, growth in average weekly earnings outstripped inflation, resulting in an increase in overall purchasing power. Halifax Gateway traffic also rose nicely, with airport passengers rising 3.9% and container cargo up sharply by 28.0%.

In contrast to the strength shown by the construction and consumer sectors, the labour market showed some weakness. The unemployment rate rose each month during the winter of 2016, reaching a figure of 7.2% in March, which is the highest level seen for Halifax during the



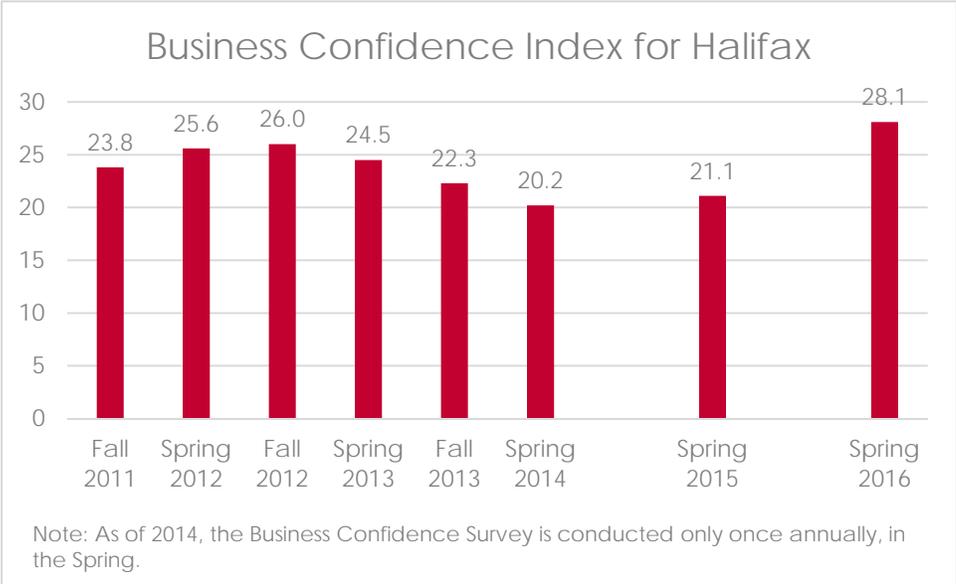
past four years. The participation rate dropped as compared to 2015 levels. The size of the labour force grew slightly, adding approximately 600 people over 2015 figures; however, total employment dropped over the same period by roughly 1,200 people. These changes follow particularly strong labour market performance in the first quarter of 2015. The drop in employment was driven by lost part-time positions, with full-time positions adding 3,600 jobs.

2015 population numbers were released for Canadian cities in February. Halifax’s population grew by 1.0% from 2014 to 2015, reaching a total of 417,800. This rate of growth was on par with the national average and a very slight pickup compared to growth in 2014. A little over three quarters of growth was due to international migration and movements from other parts of the province, with the remainder coming from natural growth (births less deaths). The Conference Board predicts that the city’s population will grow by 0.9% this year, reaching a total of approximately 422,000 by the end of 2016.

Halifax Economic Report – April 2016

2016 Business Confidence Index

Confident businesses and confident communities grow faster. When businesses believe the future is bright, they take risks and innovate, invest in their business, hire and train more workers, and expand into new markets. When businesses feel pessimistic, attitudes turn toxic and innovation,



investment, and hiring slow down or decline. Sustained economic growth and improvements to living standards require this kind of investment, so business confidence is important.

Business confidence in Halifax saw a significant increase in the Partnership’s latest iteration of the Business Confidence Index (BCI). This spring, the BCI reached its highest level since the Partnership began measurement in 2011. This followed several consecutive years of sliding or sluggish confidence.

The BCI measures confidence by aggregating surveyed businesses’ responses to questions about their current and future economic prospects, as well as their rating of Halifax as a place to do business. It ranges from a value of -100 to 100, where positive numbers indicate positive feedback and expectations. The Index is currently up to 28.1, from 21.1 a year ago.

This increase in confidence in Halifax stands in contrast to measures of business confidence nationally, conducted by the Conference Board of Canada and the Richard Ivey School of Business at Western University. National trends are generally weaker, as the oil market slump has created economic headwinds in resource dependent markets across the country. Halifax businesses are feeling more optimistic amid strengthening economic growth in this region. This is consistent with provincial measurements of confidence among small businesses conducted by the Canadian Federation of Independent Business.

Increased confidence among Halifax businesses was seen in respondents’ ratings of the current economic environment as well as their optimism for the future. A larger share of businesses rated Halifax as an “above average” place to do business (26%, up from 15% last year), while fewer rated it “just average” (55%) or “below average” (17%). A larger share also reported that they were “extremely optimistic” about their future economic prospects (17%, up from 13%), while 70% reported they were “moderately optimistic”.

The Halifax Partnership

The Halifax Partnership is Halifax's economic development organization. We help keep, grow and get business, talent and investment in Halifax. We do this through leadership on economic issues, our core programs, our partnerships across all sectors, and by marketing Halifax to the world.

If you have any questions or concerns about this document, its methodology, or how its indices are measured, please contact the Partnership at info@halifaxpartnership.com for further details.

Attachment 4:
SmartBusiness Quarterly Report
- April 2016

One of the functions of the SmartBusiness program is to gather and identify information about the companies that it assists. These data are **not meant to show representative opinions** you would find from public polling. **This is a conversation with industry.** Information comes from the offices of business leaders, from frank discussions, and often times from outspoken honesty. It gets at ‘private opinion,’ the deeper held beliefs that businesses actually use to judge their community. SmartBusiness has undertaken the following activity this fiscal year (April to March):

- Retention Visits: 289 (204 SMEs, 57 HROs)
- Retentions: 1
- Expansions: 39
- Referrals Generated: 789
- Business Consultations: 503
- Jobs Created & Retained: 510+

The data below represent findings from 289 interviews with clients between April 2015 and March 2016. SmartBusiness clients may not represent businesses in general, but represent a broad selection of industries and regions throughout Halifax. The current distribution oversamples rural businesses.

Executive Summary

- **Business confidence rallies at fiscal year’s end** – Despite a gradual decline between April 2015 and January 2016, overall measures of business confidence have largely recovered in the last 3 months. 53.1% of businesses believe the economy has improved in recent years compared to 54.3% last April. Meanwhile the share that believe the economy has worsened fell from 20.7% to 17.9%. Confidence remains high with 81.5% of Halifax businesses expecting the overall business climate to improve and 53.0% considering it a good or excellent place to do businesses.
- **Businesses enjoy Water, concerned with Pavement** – SmartBusiness clients are asked to rate their satisfaction with and the importance of various municipal services. They are most satisfied with Public Water (+35.9%) though only 14% of businesses consider it a top-3 service for their operations. Conversely, opinions of Local Roads and Public Transportation are very negative (-35.2% and -23.2% respectively), which are the municipal services businesses are most concerned with. Almost two-thirds (57.5%) of businesses consider Local Roads to be a top-3 service for their business, while two-fifths (41.3%) are similarly concerned with the state of Public Transportation. Getting workers to work is their priority.
- **Businesses Disagree on Regulation** – This report’s *Issue in Focus* investigates how different kinds of businesses view provincial regulation. It looks at what makes a business more likely to be favourable to the current regulatory environment; whether it is favoured by big businesses or small ones, businesses today or 10 years ago, those who dealt with governments or did not, and how economic attitudes and opinion of regulation are related. Read this edition’s *Issue in Focus* to find out which businesses are most troubled by regulation and red tape.

Ratings and Scores

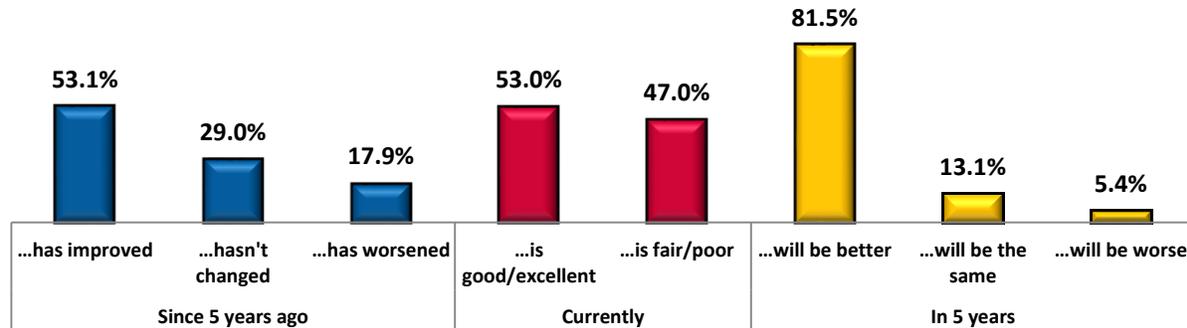
SmartBusiness collects information on 23 business climate factors and 8 municipal services. A dashboard has been compiled for each of these topics, providing at-a-glance data of private sector opinion on the business climate in Halifax.

Ratings of performance reflect an underlying score from -100 to +100, indicating how businesses rate particular issues (positively or negatively) and the strength of those opinions. Arrows indicate how much ratings rose/fell since last year. Companies are also asked to list the top-3 most important issues and top-3 most important services. Attention should be paid to boxes **highlighted in red**; more than 25% of companies consider these issues to be very important to their business.

Example Dash
Name of Business Factor
Rating (Change)

Overall Business Climate

Businesses think the overall Halifax business climate...



Dashboards

Municipal Services					
Public Water rises 17.2% – Police Protection falls 7.6%					
Public Water	Municipal Bylaw Enforce.	Building Inspect & Permitting	Road Network/Condition	Police Protection	Public Transportation
Excellent ↑↑↑	Good ↔	Fair ↓	Poor ↑↑	Excellent ↓↓	Fair ↓

Among Halifax’s municipal services, Public Water is now rated as the highest quality service and has grown significantly in importance over the last year. Public Water is considered Good or Excellent by a majority of businesses, coming in at a rating of +35.9%, narrowly edging out Police Services (+33.8%) and Public Sewer (+31.5%). Both Public Water and Sewer have seen improving opinion from the business community since April last year, growing 17% and 11% respectively.

Labour & Education					
Workers Compensation rises 32.5% – Workforce Quality falls 18.9%					
Workforce Quality	Workforce Availability	P-12 Education	Universities	Community College	Workers Compensation
Good ↓↓↓	Fair ↓	Good ↑↑↑	Excellent ↓	Excellent ↑	Fair ↑↑↑

Finding and retaining talent remains the dominant issue for many companies. Local businesses are highly concerned with the scarcity of available talent and the ability to find specialized skills. Over the past year, ratings of both Workforce Quality and Availability have fallen (-18.9% and -4.7% respectively) with comments around both concerning the scarcity of talent and the out-migration of workers.

Infrastructure					
Provincial Highways rises 25.1% – Air Access falls 8.8%					
Air Access	Port Facilities	Rail Services	Shipping and Transport	Provincial Highways	Utility/ Electricity
Excellent ↓↓	Excellent ↓↓	Fair ↑↑↑	Excellent ↔	Good ↑↑↑	Fair ↑↑↑

Air access is a pressing issue for local businesses, especially those selling goods and services along the Atlantic Coast. Several businesses have expressed an issue with the lack of connectivity to different locations and the availability of direct flights and connections. Over the past year, opinions of Air Access have dropped but remain very high (+42.4%). Among businesses in Halifax’s Industrial Parks there is a concern about a price disparity between incoming and outgoing freight traffic and the strain this puts on small manufacturers.

Taxation & Regulation					
Federal Gov. Regulation rises 21.8% – No taxation/regulation indicators fall					
Municipal Gov. Regulation	Provincial Gov. Regulation	Federal Gov. Regulation	Municipal Tax Structure	Provincial Tax Structure	Federal Tax Structure
Fair ↑↑	Fair ↑↑↑	Fair ↑↑↑	Poor ↑↑	Poor ↑↑↑	Poor ↑↑↑

Opinions of government regulation and taxation have improved this year, though they remain very unpopular among business. Measures of both regulation and taxation went up for each of the three levels of government (Municipal, Provincial, and Federal). At each level, opinions of regulation have improved slightly more than opinions of taxation, though this is most apparent for the Federal Government. Despite the significant increases in opinion, regulation and taxation are still unpopular topics among business owners in Halifax and there is room for improvement.

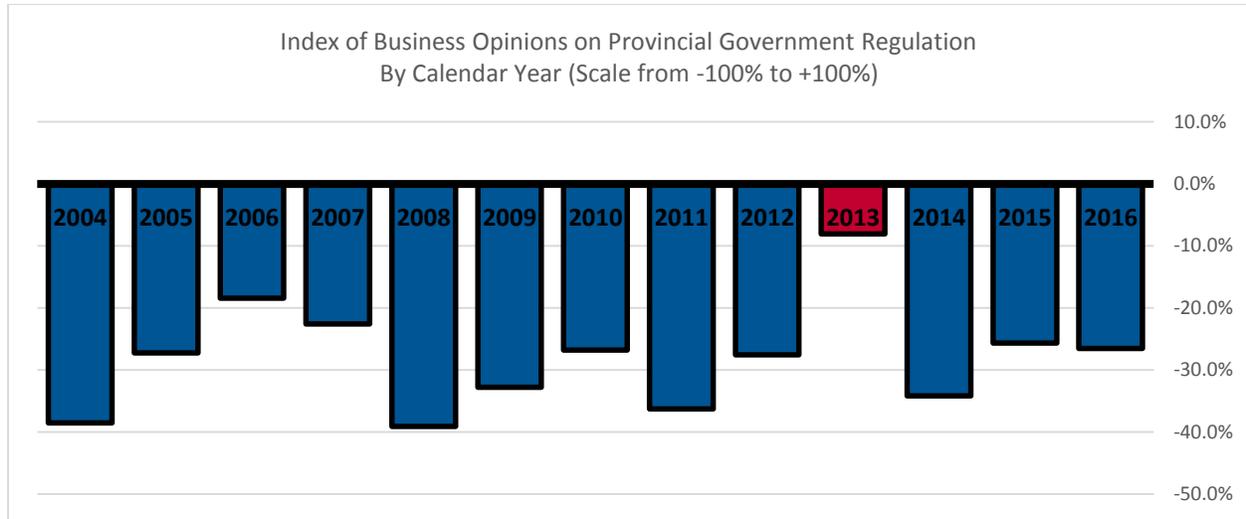
Miscellaneous				
No miscellaneous indicators rise – Internet/Broadband falls 11.6%				
Economic Development Orgs.	Housing	Recreational/ Cultural Amenities	Phone/ Cell Phone	Internet/ Broadband
Good ↓↓↓	Good ↔	Good ↓↓	Good ↓↓	Good ↓↓↓

Since April last year, Internet and Broadband access has been the breakout topic. Last year, only 1 in 10 businesses considered it a priority for their operations (10.8%), while now it is one of the most important topics for businesses with almost a third of businesses (31.0%) considering it a top-3 priority. Further, ratings of satisfaction with Internet/Broadband have fallen from +17.0% down to +5.4% over the course of the year. This is partly due to a larger sampling of rural businesses among SmartBusiness clients but also represents an increase in media attention around continued connectivity issues in rural areas of Halifax.

Issue in Focus – Provincial Regulation

Provincial Regulation has long been a sore spot for many businesses who come through the SmartBusiness Program. While not always pressing, few businesses are a fan of regulation or taxation which colours opinions of governments at all levels. However, by aggregating information collected over the past 12 years, it’s possible to get a detailed look at which companies in particular have the best (and worst) experiences with the current regulatory framework. The following *Issue in Focus* looks at what kind of businesses are having the most trouble dealing with the public sector.

Changes over Time



Business opinions of provincial regulation have traditionally been negative. Many more businesses rate regulatory systems Fair or Poor than those who rate them Good or Excellent. However, these shares tend to vary year to year. While opinions remain consistently negative, some cycles have occurred, with periods of particularly high or low opinion. Even in the most positive periods, the consensus opinion is that regulation is burdensome and unpopular among business owners. The private sector is predisposed towards disliking regulation and see it as more of a barrier than a corrective mechanism.

It is important to understand that the data from 2013 should be interpreted carefully. During this year, SmartBusiness activity focused much more heavily on Head & Regional Offices, with most of the visitations focused on those companies. Therefore the 2013 data should not be seen as consistent with the rest of the series. However this does illuminate that Head & Regional Office companies may have significantly higher opinions of the current regulatory framework than a typical company. These are companies which operate offices overseeing and managing smaller offices throughout the region or even the rest of the world.

Businesses Big & Small

Depending on how small or large a business was helped determine how highly they thought of provincial regulations. Small businesses, those with 2-25 employees, tended to have a more negative opinion (-30.6%) while Medium (26 to 100 employees) and Large (101+ employees) were roughly equal in opinion (-26.7% and -28.0% respectively). Further, with little difference between Medium and Large businesses, it seems that the size and scale of an operation was not a major factor after a certain threshold. Regulatory difficulty may be transitional as a business expands from a handful of employees to a medium size.

Most surprisingly, self-employed business owners or lone-employee businesses had much higher opinions of provincial regulation (-14.9%). While this suggests that regulation is more of a burden on smaller businesses, it may be that the source of regulatory difficulty stems from having employees. Whatever the situation, those who worked only for themselves were much more likely to think positively about regulation.

Economic Attitudes

A business' attitude towards the economy was a strong predictor of their opinion of regulation. While it is unclear whether this is a causal link, or in which direction it flows, it is clear that those who are optimistic about the state of the economy are more forgiving in their views on regulation. The opinion of those who believed the economy was improving (-24.6%) was much higher than of those who thought it would stay the same (-30.0%) and significantly higher than of those who thought the economy would worsen (-52.5%). Similarly, those who thought the economy had improved (-22.4%) thought much more highly of the regulatory environment than those who believed it had not changed (-26.3%) or had gotten worse (-42.6%). Attitudes on the economy and regulation are highly correlated.

Businesses Across the Lifecycle

Some of the starkest differences were among businesses with products at different lifecycle stages. Interestingly, businesses that were focused on new and emerging products were actually more positive in their views of the regulatory environment than average (-23.3%). This opinion became slightly more negative if they were focused on maturing products (-28.1%) and dramatically more negative for those companies who were dealing with declining products (-47.8%). 'Emerging' businesses refers to those investing in and commercializing new products and services, whether the business itself is old or new.

Dealing With Government Directly

Businesses who dealt with government directly tended to have a better opinion of regulation. Those who accessed Research & Development credits – from either provincial or federal sources – were much more likely to be supportive of regulation (-18.1%) compared to those who did not (-27.6%). Similarly, those who sold goods and services to the provincial government were less likely to think negatively of provincial regulation (-23.4%) than those who sold to other governments (-27.4%) or those who did not deal with the public sector (-27.9%).

Unrelated Factors

There appears to be very little geographic distinction in opinions on regulation. Businesses in the urban areas of Halifax – primarily Halifax Central and Dartmouth – had nearly indistinguishable opinions from those in primarily rural areas (-28.5% vs -27.0% respectively). Additionally, having a unionized workforce did not influence opinions on regulation. Business owners whose operations are unionized had similar opinions as those whose are not (-26.2% vs -28.2% respectively). Despite much unionization legislation being provincial in nature, this was not what drove negative opinions from employers.

Halifax Partnership

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If you have any questions or concerns about this document, its methodology, or how its indices are measured, please contact the Partnership at info@halifaxpartnership.com for further details.