

HRM's Review and Renewal of the Economic Strategy 2011 – 2016

Green Tech Consultation

Monday, June 28, 2010

1:30 – 4:30 p.m.

Location: Compass, Four Points by Sheraton

Champion: Kelly Cantwell, Nova Scotia Power Inc.

Facilitator: Troy Kay, Deloitte

Participants

- Pam Cooley, CarShare Halifax
- Ronald Scott, MTEC
- Andrew Thalheimer, ESANS
- Cameron Ells, Cameron Consulting Incorporate
- John Crace, WHW Architects
- Jim Simmons, Stantec
- Deborah Buszard, Dalhousie University
- Lauren MacDonald, NSBI
- Mike Rothenburg, ACOA
- Alexander Pavlovski, Green Power Labs
- Ken Lee, InnovaCorp
- Mary Ellen Donovan, HRM
- Julian Boyle, HRM
- Kelly Cantwell, Nova Scotia Power Inc.

Observers

- Allan Cocksedge, Greater Halifax Partnership
- Kara Hobbs, Greater Halifax Partnership
- Wendy Donaldson, Greater Halifax Partnership

Session Recorder

- Krista Hall, Greater Halifax Partnership

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Introduction – Kelly Cantwell

1. Project Overview
2. Participant Introductions

Consultation Overview – Troy Kay

1. Meeting Flow
2. Data Collection Overview
3. Ground Rules

Participant Feedback

Opportunities and Challenges

1. **What is your overall reaction to the opportunities and challenges?**
 - Pretty much motherhood. Most rated between 1 and 3
 - Daunting list with too many things to consider
 - Overlapping and redundant
 - Terminology is very generic - too generic to evaluate what's important to this city.
 - Nothing that really addresses HRM's unique value – could apply to any city
 - This is more of a “bean counters” discussion - What's the money issue and how can we generate more wealth?
 - Difficult to focus on the document because the list is outdated
 - This discussion should come after the vision has been established
 - Each item on the list means something different depending on sector, personal perspective, etc.
2. **Is the list complete? If not, what is missing?**
 - Missing
 - Aesthetics
 - Creativity
 - Imagination
 - Entrepreneurial spirit
 - Vision
 - Provincial report on environment sustainability act identifies different capitals – financial capital, social, human, built, etc. We should look at these.
 - We seem unable to appreciate natural capital in our city (e.g. a lot is built around water)
 - Missing the green wave needs more detail – enlarge and enrich as a topic

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- Misses the sustainable development objectives and the focus of regional prosperity that Halifax could enjoy by embracing regional sustainable development. Halifax could embrace even wider energy security, food security, transportation and sustainability
- Need a holistic vision on green procurement and leadership
- Where is marketing and communication? We should be marketing what Halifax is doing well, particularly in green technology.
- Limited in the social aspects - no reflection of Richard Florida pieces.
- Innovation, particularly as it relates to green tech
- Little mention of capital investment
- Entrepreneurial spirit is not always captured

3. Is the list accurate? If not, what revisions would you propose and why?

- We're calling things the same things we called them 50 years ago. Adjust the language and terminology to be it more suitable to/reflective of what we're trying to achieve
- Generic list. 15 years out of date.
- Vancouver convention centre made the most of its natural attributes in building the centre. It's booked three years out. Is our decision-making similarly focused in Halifax? Consensus was no.
- We need to look beyond money in our values.
- Need to think less about these metrics and more about our vision on energy security, food security, and carbon footprint
- Need to have "sustainable" prosperity and growth
- It's not just the electricity sector that produces carbon. That needs to be clarified.
- We need to better harness our assets – take the knowledge in our universities and connect with private business to commercialize it and connect to government that is responsible for regulation
- Too long. Needs more focus on key priorities.
- We haven't missed the green wave. There are many opportunities in this area.
- Lack of focus. Need to prioritize sectors.
- HRM could consult with the green sector when developing their policies. There is opportunity in this area.

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4. Which opportunities and challenges are the most important/least important and why?

From the Point of View of your sector, which opportunities and challenges are the most/least important and why?	Most Important				Least Important
	1	2	3	4	5
Hub City Strategy	XX		X		
High Value Jobs	X	XX			
Alignment	XXX				
High Education Level	X	XX			
Concentration of Post-secondary institutions	X		XX		
Demographic Shift			XX	X	
Population Growth			X	XX	
Taxation	X	XX			
Regulation	X	XX			
Inertia/resistance	X	X	X		
Missing the Green Wave	XX				X
Productivity Growth	X		XX		
Partnership and Alignment	XX	X			
International Focus		XXX			
Myths on Growth Drivers Need Correcting			X	XX	
Overdue Public and Private Investment in the Downtown Core	XX	X			
High Carbon Dependence	XX			X	

Plenary Comments

- Ranked # 1 – alignment, productivity & growth
- Ranked “Missing the Green Wave” lower because we haven’t missed it
- Missing retention in population growth
- Productivity and growth must be sustainable
- Difference between high value jobs and highly valued jobs
- Focus on green economy

Vision Statements

1. What is your first reaction to the draft vision statements?

- Too generic. Too motherhood.
- They are too wordy
- #2 – not very visionary; too objective based
- Vision #1 – modify
- Not really a vision statement

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Questions 2, 3 & 4

Vision			
	Yes	No	Notes
Do the statements describe what we want to be in HRM?		xxx	<ul style="list-style-type: none"> • Not really • Vision #1 more aligned but needs additional attributes • No - Needs focus on sustainability, innovation and entrepreneurship and economic / commercial viability • No – doesn't get us to the next step
Are the statements valid?		xx	<ul style="list-style-type: none"> • Generic. Not very relevant • No - #2 is not visionary
Do you see your sector's future represented in the statements?	x	xx	<ul style="list-style-type: none"> • Relevancy to Green Tech sector is not specific • Didn't see the green sector reflected in these statements. • Vision #1 is more aligned with green technology and sustainability

5. If not, what changes would you propose?

- The vision should be a filter for what we do
- Look to province's 5 capitals mentioned earlier and build vision from there.
- Add focus on sustainability, entrepreneurship, innovation
- Economic and commercial viability should be included. You can be innovative but it needs to be commercially viable.
- Need to add that Halifax is a leader in green tech
- Establish a vision that if achieved it will make Halifax an internationally competitive, globally-oriented, hub city
- Capitalize on our strengths
- Halifax – recognized by us first then others. We need to exude what we are and others will recognize it
- Maybe we need to think about a growth strategy

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- Prefer “world class, economically vibrant, socially and economically innovative, livable, and sustainable city built on its natural assets.”
- Stuck on a discussion about growth. Do we actually need to grow bigger or do things differently?
- Focus on capital – human capital, innovation, etc.

Priority Areas and Strategic Goals

1. Do you agree with the areas and goals? If not, what do we need to add, revise or remove?

Priority Areas & Strategic Goals: Do you agree with the areas and goals? If not, what do we need to add, revise or remove?						
	Agree	Disagree	Add	Revise	Remove	Comments
More and better qualified people for high wage and more productive jobs		xx			x	<ul style="list-style-type: none"> • Jobs first, then attract people • Add retention as well. We need to think long-term
Development of a vibrant and attractive urban core as the primary economic driver	x	x			x	<ul style="list-style-type: none"> • In partnership with all levels of government
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity	xxx					<ul style="list-style-type: none"> • Focus on impact • Attract more captains of industry • Less reliance on regulatory and tax as drivers
Market and enhance assets of Halifax as a “Global City”	xxx					<ul style="list-style-type: none"> • Revise “global city”

Plenary Comments

- Dichotomy between Rural versus urban – difficult to group some of these together
- It's difficult to fit Green technology in with current business practices
- Not only a sustainable city but also a community-oriented city that looks out for the future of our youth. This should be incorporated into what we do.
- Need to know the end point first. Defining what your opportunities are. What are realistic local opportunities are. For example, if you decided that your opportunity was to enhance your fishing industry then when you go to make decisions on priorities you need to go back to opportunities
- We need to define certain filters for decision-making.

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- One of these filters should be “Decision-making that fosters respect for natural and cultural assets.”
- Another filter – “Projects that help match training and education initiatives around jobs and incentives that take advantage of existing opportunities.”
 - We are doing some work in this area (co-ops, etc) but it could be stronger
- Priority #1
 - Disagreed with it to some extent. Getting the jobs should be focused on first. Implies that the people who are here aren't qualified. People will come if there are the jobs.
 - There are lots of graduating students that are not job ready. They need to look elsewhere for opportunities
 - Need to embody an on-the-job learning culture within our society. There's a distinct lack of that. Reluctance of employers to train young people.
 - This is a tactical outcome
- Priority #2
 - Agreed with this statement. We need to have a core that is attractive to someone outside who is thinking about moving here or bringing business. Need to revise this to make sure it is in partnership with all levels of government. Needs an aligned strategy so HRM isn't footing the entire bill
 - The way it's done needs to be designed in a way that is sustainable. For instance, geo-thermal, etc. Ways in which we can make it viable for the future.
 - This is a tactical outcome
 - Need to include development of our cultural and social assets as economic drivers
- Priority #3
 - Speaks to the knowledge economy. Should be a focus on areas that would have an immediate or higher impact. We need to identify these areas. Need to attract more captains of industry who are going to build businesses.
 - Regulation and tax as a driver – would be nice if there was less reliance on building an industry that depends heavily on this to grow. Industry that could be less driven by regulatory environment
 - Commercial risk – bit of conflict with entrepreneurship. Acquired risk, or smart risk, is often required.
 - Totally agreed with #3 – policy, procurement, expertise, and capacity creates the ecosystem
 - Optimize our cultural and natural
- Priority #4
 - not sure what global city means. Maybe worthwhile to look at a new definition.
 - Issues with #4 as a strategic goal – not as important as other areas

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2. Which areas and goals are the most/or least important to the future of your sector and why?

Priority Areas & Strategic Goals: Which areas and goals are the most/least important to the future of your sector and why?	Most Important					Least Important		Notes
	1	2	3	4	5			
More and better qualified people for high wage and more productive jobs		x	x			x		<ul style="list-style-type: none"> Remove. There are lots of qualified people #1 and #2 tied
Development of a vibrant and attractive urban core as the primary economic driver		x	x			x		<ul style="list-style-type: none"> Remove. Doesn't really fit in with green tech. #1 and #2 tied
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity	xxx							<ul style="list-style-type: none"> Idea of #3 is by far more important than the other category. Finding expertise and local capacity, procurement, etc.
Market and enhance assets of Halifax as a "Global City"		x		x		x		<ul style="list-style-type: none"> Ranked 4th - Let's build a good house first and then market it. Agree with this. If we are going to capitalize in green tech we need to capitalize on Halifax's assets.

Plenary Comments

- Talk about value of outlying districts
- Well-being, sustainability – these are important to the sector
- Livability, walkability, environmentally friendly, community-oriented - enriches drivers of our growth

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3. Which areas and goals should we focus on right away in order to give momentum to the implementation stage?

Priority Areas & Strategic Goals: Which areas and goals should we focus on right away in order to give momentum to the implementation stage?		
	Focus on Right Away	Comments
More and better qualified people for high wage and more productive jobs		<ul style="list-style-type: none"> Talent – policy for retaining the qualified people. We need to define what the criteria is for the people we want to attract
Development of a vibrant and attractive urban core as the primary economic driver	#1	<ul style="list-style-type: none"> Development is longer term, but the approval process and bureaucracy can be looked at now
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity	#1, #1, #1	<ul style="list-style-type: none"> Define what the eco-system should look like We need to marry green tech with new developments (the private sector). We need early action in this area.
Market and enhance assets of Halifax as a "Global City"	#4	<ul style="list-style-type: none"> Marketing – market our strengths now

4. Do you have any thoughts on how we organize to achieve these goals?

- Form working groups
- Develop and apply some filters against policies that are developed for HRM
- Mayor's Advisory Council – talk to this group about the sector
- There are some good news stories coming out of HRM such as Halifax water now bringing real world lifecycle costing to the treatment of water. Better than other jurisdictions.
- There's nothing in here about alignment. This is missing. Unless we can get our pitches aligned we won't be competitive. We're not playing at our level. We're being compared to Moncton when we should be compared to other larger, national and international cities. This is because we're not aligned.
- Need to take advantage of current infrastructure investments recognizing the inertia of these. (e.g. better new urban /suburban developments by the private sector and government to springboard green tech)
- Define what the city should be
- Focus on the future
- Recognition of youth

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General Comments / Questions

Why are there more people at some sessions (like Real Estate) while others have fewer people?

- More than 30 invitations were sent out for this session. Weather and vacations could be affecting attendance.
- Also, there are lots of opportunities to contribute in this city when you work in this sector. People may be over invited
- Perhaps, green tech was defined too narrowly. It needs to include sustainability as well as green energy.
- Maybe green should just be embedded in every industry; it shouldn't be its own small group because it's not a sector.
- Some people in this sector are entrepreneurs so it's difficult to go to many meetings.

Was there a session particularly for small business?

The chamber has been running concurrent sessions to capture the small business voice but there wasn't a separate session run by the Partnership.

A strong recommendation was made to have a separate of small / medium size business session.

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APPENDIX – Descriptions & Questions

SECTION 1: OPPORTUNITIES AND CHALLENGES

Thinking about the opportunities and challenges below:

- What is your overall reaction to the opportunities and challenges?
- Is the list complete? If not, what is missing?
- Is the list accurate? If not, what revisions would you propose and why?
- From the point of view of your sector, which opportunities and challenges are the most important/least important and why?

OPPORTUNITIES

Hub City

- Conference Board identifies Halifax as one of 9 Canadian Hub Cities
- Halifax is Atlantic Canada's economic hub.
- Economic growth in Halifax drives an even faster rate of growth in the province and region
- Overall, the region benefits from growth in Halifax

High Value Jobs

- Halifax has critical mass in high-value sectors like Finance, Insurance and Real-estate, Digital Industries, Oceans, Life Sciences, Aerospace and others

Alignment

- Fiscal and economic challenges provide a motivation to realign priorities and spending....to focus on growth in high wage jobs and high value sectors

High Education Levels

- Halifax has among the highest post-secondary education levels of any city in Canada
- Education levels drive economic growth -Research by the US based CEOs for Cities shows that education levels in cities accounts for almost 60% of economic growth

Concentration of Post Secondary Institutions

- Halifax has among the highest concentration of post secondary education institutions and students in Canada
- The sector's value relates to its high wage direct jobs, its ability to act as a hub of research and innovation, and its role as a talent magnet
- As enrolment of Nova Scotia-born students declines because of demographics and high costs, the ability of these institutions to attract and retain international students has significant potential

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CHALLENGES

Demographic Shift

- A demographic profile close to the Canadian average within a province that has the oldest population in Canada
- Over 45,000 Nova Scotians will retire from the labourforce and another 9,500 new jobs, all within the broader Halifax area, will be created by 2014
- Thus, 55,000 job openings between 2009 to 2014
- With population growth stagnant it is likely that wage pressure and the need for productivity investments will increase dramatically

Population Growth

- Up until the recent recession Nova Scotia had been battered by outflows of young professionals and skilled workers headed to areas of better economic growth and higher wages
- The population growth rate of Halifax dropped below the pace of major cities in neighbouring provinces
- Immigration has been limited, slower than past trends and slower than in neighbouring provinces

Taxation

- Personal taxation is higher in Nova Scotia than every Canadian province, with the largest differential at the high wage –high skill end of the spectrum
- Corporate taxation is the highest in Canada. Nova Scotia remains one of the last provinces to remove investment inhibiting capital tax
- Nova Scotia needs new investment to boost productivity and retain key companies (If a company is not investing it is dis-investing)

Regulation

- Major regulatory reform usually takes place without full consideration of the economic and business costs
- Regulatory costs affect business climate and ultimately the fiscal health of governments

Inertia/Resistance

- Sectors and groups benefiting from existing programming and current sector focus tend to resist change
- Some members of our elected leadership, the public sector, and implementing organizations may resist necessary change

Missing the Green Wave

- Nova Scotia is among Canada's most carbon dependent provinces
- Tidal energy is an area where Nova Scotia seems to have a competitive advantage

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Productivity Growth

- Nova Scotia has one of the worst productivity performances in Canada and Canada is among the worst in the G20
- A policy focus that put jobs growth ahead of quality jobs and a fiscal regulatory climate hostile to productivity improvement has hurt productivity growth

Partnership and Alignment

- There is little strategic alignment of economic development resources among federal, provincial and municipal governments and between agencies and departments of individual governments
- Lack of consensus in areas like gateway, infrastructure priorities, labour force policies and other areas has stalled progress

International Focus

- Nova Scotia has among the worst export growth of any province in Canada over the last decade
- Most business activity is focused on delivery of goods and services in local markets
- The value of externally oriented business and organizations as the key economic generators in our economy is not well understood by policy makers or business organizations

Myths on Growth Drivers Need Correcting

- “Last mile” efforts at a fully “wired” province will have limited economic benefits
- Political and economic policies that emphasize geographic balance over economic opportunity constrain growth
- Traditional areas of government policy attention often focuses on low wage, low growth, seasonal, low skill, low productivity, but vocal industries
- Nova Scotia has missed most of the early stage green-tech opportunities. Most government efforts have been on the regulatory side which often have economic costs. Government investment in Green-tech industry has been limited
- Old style politics, which features urban rural divisions hurt economic growth
- It is likely that net new growth in Nova Scotia will be in the region surrounding and including Halifax

Overdue Public and Private Investment in the Downtown Core

- About 20% of land in the downtown core is vacant land
- Beyond basic maintenance, HRM has not invested in the Core since amalgamation in the mid-90s

High Carbon Dependence

- Adds cost burden to both individuals and companies
- Contributes to greenhouse gas problems

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SECTION 2: VISION

Thinking about the vision statements below:

- What is your first reaction?
- Do the statements describe what we want to be in HRM?
- Are the statements valid?
- Do you see your future reflected in the statements?
- If not, what changes would you propose?

Vision – Alternative 1

Halifax is recognized by the rest of the world as a more creative, innovative, internationally competitive, and globally-oriented hub city providing:

- Increased economic and social well-being not only to people in the HRM but also to Nova Scotia and the Atlantic region;
- More high value and sustainable jobs that will attract highly qualified people of diverse backgrounds and;
- A quality of life that is the “envy of the world”.

Vision –Alternative 2

Halifax is recognized around the world as a smart, international and competitive city where:

- X% of the 25-45 year-old population has completed post-secondary education;
- X% of the city's GDP is driven by international business;
- Is found the most competitive business environment in Eastern Canada and;
- X number of high-value jobs have been created.

SECTION 2: PRIORITY AREAS AND STRATEGIC GOALS

Thinking about the list of priority areas and strategic goals below:

- Do you agree with the areas and goals? If not, what do we need to add, revise or remove?
- Which areas and goals are the most/or least important to the future of your sector and why?
- Which areas and goals should we focus on right away in order to give momentum to the implementation stage?
- Do you have any thoughts on how we organize to achieve these goals?

Priority Area #1: More and better qualified people for high wage and more productive jobs.

Strategic Goals:

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1. Development and implementation of a comprehensive learning strategy to re-skill workers to a level that allows them to compete for high wage and more productive jobs.
2. Development and implementation of an enhanced external recruitment and retention strategy to attract and retain high skilled workers from the rest of Canada and internationally.
3. Design and implement an engagement strategy with the young professional community to ensure their active involvement with the design and implementation of economic development initiatives
4. Design and implement a “talent” strategy to ensure that all elements of the population participate actively in the labor market.

Priority Area #2: Development of a vibrant and attractive urban core as the primary economic driver.

Strategic Goals:

1. Develop and implement an aggressive strategy to attract significant private investment to the urban core to address the issue of downtown office and residential stock
2. Implement a 5 year public infrastructure improvement program including targeted service and maintenance improvements.
3. Develop a plan for the building of renowned cultural institutions.

Priority Area #3: Development of an “ecosystem” of entrepreneurship to reduce commercial risk and improve productivity.

Strategic Goals:

1. Undertake a regulatory and tax review to identify and advocate the changes to the policies and regulations at all levels of government that impede economic growth in HRM.
2. Design an engagement strategy between the economic development organizations and the college, university and technical school community to identify and act in partnership on initiatives to support economic development, improve productivity and promote entrepreneurialism.
3. Develop and deliver a strategy for business attraction and retention that targets the creation of highly skilled jobs and limiting the exit of skilled and educated young people.

Priority Area #4: Market and enhance assets of Halifax as a “Global City”

Strategic Goals:

1. Develop and implement an enhanced trade and investment strategy that builds on the current international market development activities underway.
2. Continue the development of an internationally competitive transportation system covering all modes that supports the efficient movement of goods and people.

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3. Design and deliver a wide-reaching public relations and communications program designed to change the awareness and perception of the players in the HRM regarding the growth potential and opportunities in the international marketplace.