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Item No.

Halifax Regional Council
December 11, 2007
Committee of the Whole

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:

Dan English, Chief Administrative Officer

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: November 29, 2007

SUBJECT: *Atlantic Gateway - The Role of Halifax Regional Municipality*

ORIGIN

This report originates from:

- < HRM Economic Development Strategy
- < May 24, 2006 Information Report to Council *Atlantic and Halifax Gateway Initiatives*
- < September 2007 GHP Presentation *Building the Gateway*
- < September 2007 ACOA *Atlantic Gateway Business Case*
- < November 27, 2007 Council Focus Area COW Report - *Economic Development*

RECOMMENDATION

It is recommended that Halifax Regional Council endorse the municipal role and alignment of strategies as set out in this report and the attached Position Paper to support and enable HRM to respond effectively to the Atlantic Gateway opportunities over the long term.

BACKGROUND

In 2005 HRM's Economic Development Strategy identified the Halifax Gateway as a priority action item under the strategy. Our port, airport, trucking and rail operations, directly or indirectly account for more than 16 percent of all economic activity in HRM.

The economic opportunities represented by the Atlantic Gateway initiative are significant for HRM. However, the role of the Municipality needs to be considered, determined, aligned, and lead. The Gateway initiative is garnering interest at the Federal and Provincial levels of government and the benefit of enhancing the region's gateway potential is increasingly being recognized by the private sector.

In October 2007 Atlantic Canada Opportunities Agency (ACOA) released its business case for the Atlantic Gateways. The ACOA report concludes there is a compelling case for advancing the Atlantic Gateway with a focus on growing the international container trade into the Atlantic region.

Time is of the essence in terms of responding to opportunities presented by the Atlantic Gateway concept. The environment is extremely competitive and competitors along the eastern seaboard are investing heavily to increase their handling capacity and to improve docking, warehousing, loading, and overland transportation infrastructure. Failure to seize the global opportunity will mean companies and countries will make other choices at Atlantic Canada's expense.

The attached Position Paper identifies some of the key concepts related to the Atlantic Gateway and outlines the Municipality's potential role and primary areas of interest and alignment.

DISCUSSION

Halifax Regional Municipality acts as a multi-modal entry point for the Atlantic region. Due to its size, location and existing transportation infrastructure, HRM has untapped capacity and is well positioned to expand its role as a key hub in the Atlantic Gateway for the shipment of goods both to and from North America. The transportation sector represents a significant driver in the municipal economy and we must work with our stakeholders collaboratively to build and strengthen the sector.

HRM therefore has a significant role to play in fostering an environment in which the transportation sector can grow and prosper and in advocating the transportation and infrastructure priorities of this region to other orders of government.

The proposed vision for the Atlantic Gateway is: *Canada's Atlantic Gateway is the premiere integrated transportation network on the East Coast of North America*¹

¹Atlantic Gateway Business Case ACOA September 2007.

The ACOA Business Case Report concludes there is a compelling case for advancing the Atlantic Gateway with a focus on growing the international container trade into the Atlantic region.

The primary **benefits** are:

- ' Increased container traffic through the Suez Canal to Atlantic Canada;
- ' Growth in cruise activity both port of call and home port;
- ' Improvement of transportation infrastructure throughout the region;
- ' Growth in air cargo, passenger travel, and tourism; and
- ' Increased access to foreign markets for both imports and exports.

In order to position the region and realize the benefits to full potential the ACOA **Action Plan** for the Atlantic region focuses on improvement to the following areas:

- ' Improved marketing and product development;
- ' Gateway infrastructure improvements and protection;
- ' Security and border efficiency improvements
- ' Stakeholder collaboration;
- ' Policy initiatives to improve competitiveness; and
- ' Development of region's human resources

Alignment of HRM Strategies and Initiatives

HRM, through its collaboration with the Halifax Gateway Council, has identified a strong municipal focus in three areas, each is addressed in detail in the attached Position Paper:

- ' Development of the Distripark/Transload Sector
- ' Development of an Air Cargo Facility
- ' Development of the Home Port Cruise Strategy

The general role of HRM is one of strategic support in key priority areas related to the municipal mandate. The success of this strategic support will depend on how well HRM's priorities are aligned with those of the Atlantic Gateway initiative.

The table that follows aligns the current municipal and stakeholder initiatives and plans with that of the Atlantic Gateway Action Plan.

ATLANTIC GATEWAY <i>Awareness - Alignment - Action</i>		
ATLANTIC GATEWAY ACTION PLAN	MUNICIPAL STAKEHOLDER INITIATIVES/ PLANS	HRM DELIVERABLES
Improved marketing and product development	Development the Distripark/Transload Sector	<ul style="list-style-type: none"> < Partnerships with GHP and HPA < Business Park Functional Plan < Position an area within Burnside Phase 12 as the “Atlantic Gateway Halifax Logistics Park”@ Burnside < Support the continued role of the stakeholder Transload Transaction Team to coordinate business attraction and development of this sector
Gateway infrastructure improvements and protection	Development of an Air Cargo Facility	<ul style="list-style-type: none"> < Memorandum of Understandings HIAA and HPA < Create an alignment of strategy intent and rules of engagement to implement Gateway vision
Security and border efficiency improvements	Development of the Home Port Cruise Strategy	
Stakeholder collaboration	Halifax Gateway Council Economic Strategy	<ul style="list-style-type: none"> < Support the continued development of the Halifax Gateway Council to coordinate marketing, infrastructure investment and policy initiatives affecting port, airport, trucking, rail, and other logistics initiative
Policy initiatives to improve competitiveness	Regional Plan, Harbor Plan, and Economic Strategy	<ul style="list-style-type: none"> < Strategic and timely plan implementation
Development of region’s human resources	Economic Strategy	<ul style="list-style-type: none"> < Memorandum of Understanding with Universities

Conditions for Success

- ' Clear leadership and support from Mayor and Council, the gateway initiative requires unprecedented integration among levels of government, educational institutions, and private sector stakeholders;
- ' Positioning of our distribution assets as “Atlantic Gateway”;
- ' Strategic investment, through the business planning process, in infrastructure; and
- ' Marketing the Gateway

BUDGET IMPLICATIONS

There are no budget implications associated with the recommendation. Staff will be bringing forward for approval through the upcoming business planning cycle the specific resource requirements to support this strategic initiative going forward.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality’s Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ATTACHMENTS

Attachment A:

Atlantic Gateway - The Role of Halifax Regional Municipality, November 2007

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Report Approved by: _____
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Council Report Sign-Off Sheet

Subject:			
Meeting Date:	Nov	Regular Council	U COW 9 In Camera 9 Information Report 9 Community Council
Prepared by	<u>Peter Stickings</u>	Name & Business Unit	Date: Nov , 2007

9 First Draft for Information Only 9 Consultation /9 Approval						
/	Stakeholder - Internal	Approved By	Date & Time	Time spent on report (min)	Revised Date	Initial
	Not Required (unique to originating Business Unit)					
	By-Law Rationalization					
	BPIM					
/	IAM	Cathie O'Toole				
/	CD	Paul Dunphy				
/	Finance - FinTrack - Accounts - Financial Consultants - Procurement - Manager					
	Fire					
	H R					
	Legal					
	Police					
/	TPW					
	Library					
	RCMP					
	Water Commission					
	Councillor (s)					
/	Stakeholder - External					

