



# **ECONOMIC IMPACT ASSESSMENT**

## **BURNSIDE & CITY OF LAKES BUSINESS PARKS**

*Halifax Regional Municipality, NS*



Full Study Prepared by:  
**Canmac Economics Limited**

Executive Summary Prepared by:  
HRM Transportation & Public Works  
Real Estate & Facility Management  
in association with  
Canmac Economics Limited  
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» **Executive Summary**



**Study Background**

The Burnside and City of Lakes Business Parks are widely considered the pre-eminent business parks in the Halifax Regional Municipality (HRM). Home to more than 1,500 businesses covering more than 3,400 gross acres, the parks offer locational advantages as well as key infrastructure and synergies that are considered critical to the success of economic initiatives of regional and provincial significance.

HRM is responsible for constructing a sustainable supply of well located, properly zoned and serviced business park land to accommodate market demand. The product of decades of direct municipal investment, Burnside and City of Lakes have grown to become the largest business park area north of Boston and east of Montreal and is considered a public sector success. As the economy continues to grow and HRM’s commercial base expands, the pressures to accommodate future market demand increases. Such pressures reinforce the need to understand and directly quantify the economic importance of the parks to the regional and provincial economies.

In 2010, HRM commissioned Canmac Economics Ltd. to undertake an economic assessment of the Burnside and City of Lakes Business Parks. The assessment documents the economic impact of the Parks as economic drivers in the Halifax Regional Municipality and serves to reinforce the connection between HRM’s business park development strategy and its economic development policy.

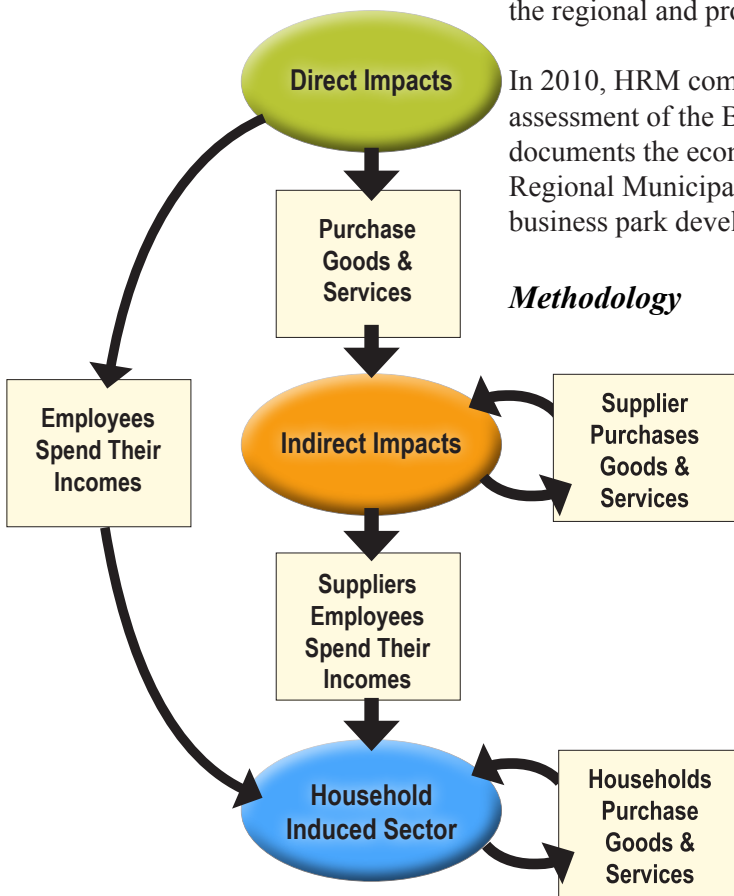
**Methodology**

The Canmac economic impact assessment determines the economic importance of the parks by measuring key impact indicators which include:

- employment
- household income
- gross domestic product

These three indicators are measured as the sum of direct, indirect and induced effects. To measure these impacts, Canmac uses its proprietary input-output model of the Nova Scotia economy, consistent with the Provincial Department of Finance model which was developed by Canmac.

A direct interview survey of business located in the parks was carried out during June 2010. This survey allowed Canmac to extrapolate employment and sales data for all business within industry sub-categories located in the parks in order to estimate input data for the Nova Scotia Input-Output Model.



» **Study Results**

*In 2009 alone, the parks generated an estimated total output of \$7.5 billion...*

### ***Economic Highlights***

Burnside and City of Lakes Business Parks are significant economic drivers for the region. In 2009 alone, the parks generated an estimated total output of \$7.5 billion, net sales of \$5.4 billion, household income of \$1.8 billion, 52,601.1 full time equivalent jobs and \$4.6 billion in GDP.

In addition, the Fiscal Impacts of Burnside and City of Lakes for 2009 generated total Federal taxes of \$262 Million, total Provincial taxes of \$263 Million and \$33.6 Million in Municipal property taxes.

<b>Indicator</b>	<b>Direct</b>	<b>Spin-Off (Indirect + Induced)</b>	<b>Total</b>
Total Output	\$3.38 Billion	\$4.11 Billion	<b>\$7.48 Billion</b>
Household Income	\$1.09 Billion	\$ 696 Million	<b>\$1.79 Billion</b>
Employment	27,669.5	24,523.9	<b>52,193.4</b>
GDP	\$1.63 Billion	\$2.95 Billion	<b>\$4.58 Billion</b>
Federal Taxes	\$161 Million	\$103 Million	<b>\$264 Million</b>
Provincial Taxes	\$162 Million	\$103 Million	<b>\$265 Million</b>
Property Assess.	\$874 Million	n/a	<b>\$874 Million</b>
Property Taxes	\$33.6 Million	n/a	<b>\$33.6 Million</b>

### ***Operational Phase Impact***

The economic impact associated with the Burnside/City of Lakes Business Parks is the sum of the construction phase and operation phase.

The operational phase provides benefits on an annual basis indefinitely, as businesses located in the parks go about their day to day operations, for as long as the parks remain. With more than 1500 businesses currently operating in the parks, the economic activity generated is significant.

*The total wagebill for Burnside/City of Lakes in 2009 amounted to \$1.4 billion...*

- Total employment for Burnside/City of Lakes in 2009 was estimated to be 27,669.5 full-time equivalent positions. Miscellaneous manufacturing employs the most individuals by a wide margin with Professional/Scientific/technical Services and construction coming in at second and third respectively.

- The total wagebill for Burnside/City of Lakes in 2009 amounted to \$1.4 billion with Miscellaneous Manufacturing again topping the list. Professional/Scientific/Technical Services and Construction followed in second and third place respectively.

## » Study Results - continued

- For 2009, net sales in Burnside were estimated to be \$5.4 billion. By industry, miscellaneous manufacturing has the greatest share of net sales at \$1.5 billion. This was the largest industry sales by far followed by professional/scientific/technical services and retail trade came in a close third. Net Sales can be defined as the portion of sales that are made to customers originating outside of Burnside/City of Lakes.



### *Construction Phase Impact*

The construction phase is a collection of ongoing, short term impacts resulting from construction to expand the parks and the construction within the parks by business, landlords, etc. Overall, construction project costs in the two parks were estimated to be \$38.2 million in 2009.

In 2009, the construction activity alone within Burnside/City of Lakes is estimated to generate total economic impacts as follows:

- 2009 Total Household Income of \$16.3 Million
- 2009 Total Employment of 407.7 person years
- 2009 Total GDP of \$39.1 Million



### *Fiscal Impact*

In addition to the impact economic activity has on household income, GDP and employment, Governments are able to generate tax revenues through income taxes on wages earned during both the construction and operating phases as well as through taxes on supplies purchased to construct and operate businesses located in the parks, and property taxes.

- The Federal Government generated \$2.4 million in total taxes from construction projects in the parks in 2009 and also generated \$261.5 million through the operation of businesses located in the parks.
- The Provincial Government generated \$2.4 million during the construction phase and \$263 million from operation of businesses in the parks during 2009.
- The Municipal Government realized total property assessments of \$874 Million which generated \$33.6 Million in 2009 property taxes.

*In 2009 alone, Burnside/  
City of Lakes generated  
\$33.6 million in Municipal  
property taxes.*

» **Study Results - continued****Scope of Economic Contribution**

To envision the scale of economic impact generated by Burnside/City of Lakes, Fig. 2 and Fig. 3 illustrate a general comparison of other major economic centres within HRM.

These figures are from various sources, economic models and various date ranges from 2005 to 2009 and are intended to illustrate a general comparison of relative scope and are believed to provide a reasonable representation. However, the accuracy of the information cannot be warranted.

The data for Figures 2 and 3 has been compiled from publicly available sources/documents listed as follows:

**1. Port of Halifax Economic Impact Report -**

Prepared by Chris Lowe Planning and Management Group February 2009

**2. Halifax Stanfield International Airport 2008**

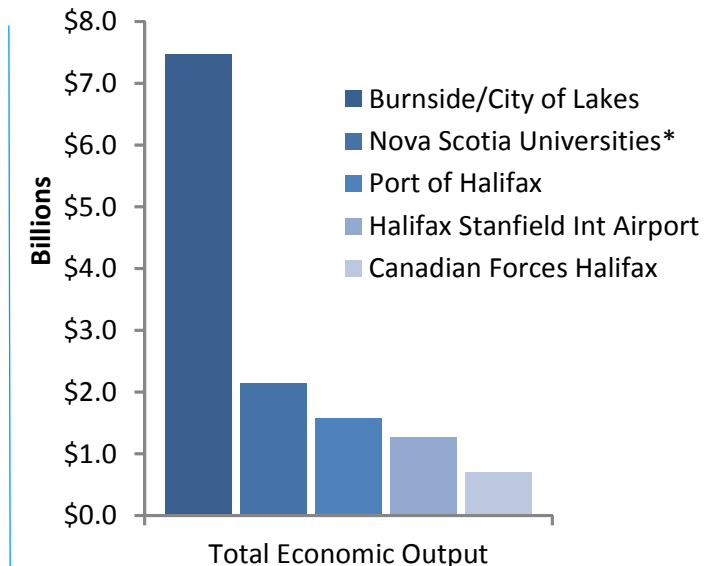
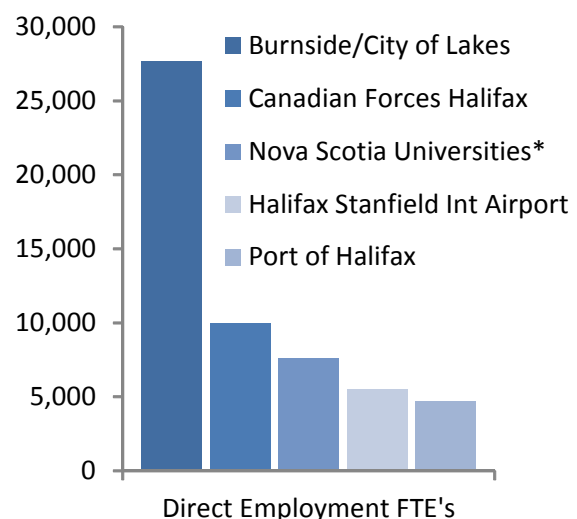
**Economic Impact Report** - Prepared by Chris Lowe Planning and Management Group September 2009

**3. The Economic impact of Universities in the Atlantic Provinces** - Prepared by Gardiner Pinfold Consulting Economists Ltd. February 2006.

*\*The figures include all universities in Nova Scotia.*

**4. May 2010 Business Voice Magazine - Maritime**

**Forces Atlantic: A History of Heritage** - Prepared by Lynne Wells with contribution from Major Paul Doucette, Maritime Forces Atlantic Public Affairs. The article quotes 10,000 DND/CF personnel (Navy, Army, Air Force) in HRM, having a total direct impact of \$700 million on the local economy.

**Fig. 2 - TOTAL ECONOMIC OUTPUT COMPARISON****Fig. 3 - COMPARISON OF DIRECT EMPLOYMENT IMPACTS**





*For more information please visit:*

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