

FREDERICTON CHAMBER
OF COMMERCE
BRIEF TO CITY COUNCIL
28 April 2014

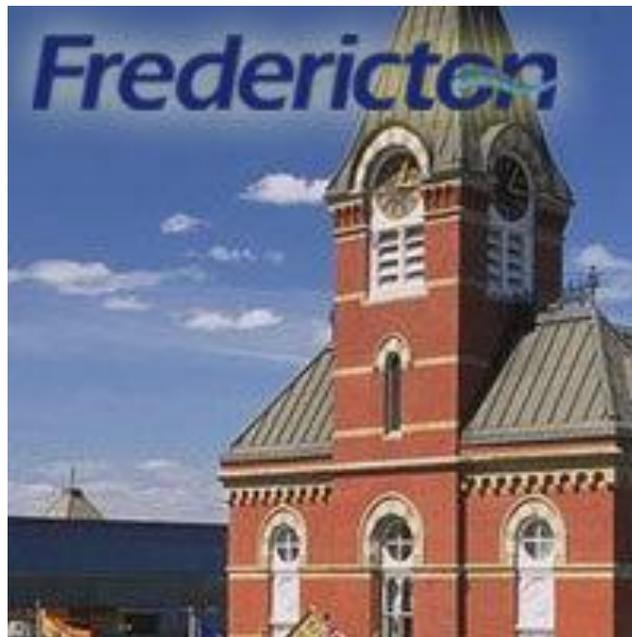


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Celebrating the century-old partnership between the City of Fredericton and its Chamber of Commerce

INTRODUCTION

In 2014 the chamber is celebrating its 140th anniversary. A look back at documents from the early 20th century reveals that the City government has had a close relationship with the chamber since at least that time, with Mayor W.S. Hooper serving on our “Executive Council”. This historical involvement illustrates the substantial alignment between the two organizations’ mandates and the importance of continuing to work together.

These shared goals continue today with the chamber’s involvement with Vision 2020 and Ignite Fredericton; with the State of the City Address; with the City’s support for our Business Immigrant Mentorship Program; and countless other initiatives.

The health of a community correlates with the state of its economic ecosystem. A supportive and robust business

environment allows a city to grow and provide the services that citizens expect and deserve. With nearly 950 members, the majority of which are small businesses with deep ties to Fredericton, the chamber of commerce represents both a large swath of the local business community as well as its citizens. By advocating for its members, the chamber, by extension, is advocating for the community.

The chamber commends City Council for being responsible stewards for Fredericton, which has positioned us to be a strong economic centre in the province with room to grow. The recommendations contained in this brief are meant to assist in achieving our full economic potential and build on the work that the City, the chamber, and numerous other groups and individuals have accomplished over many years.

Continuing the path started by Vision 2020 requires a holistic approach and working with stakeholders

ECONOMIC DEVELOPMENT

In this section we address a number of issues that may appear disparate on the surface, but all relate either directly or indirectly to economic development and the business ecosystem in Fredericton.

Ignite Fredericton

We would like to commend Ignite Fredericton (formerly 'Enterprise Fredericton') on the launch of their new identity and focus. The chamber has been a prominent supporter of the organization throughout its history as it provides services that are not otherwise addressed in the city. The ability to survive and thrive despite the loss of federal and provincial funding is a testament to its ability to adapt.

Despite the reinvestments from Oromocto and New Maryland and the new sponsorship model, the long-term sustainability of the organization will still require an increase of base funding from the City of Fredericton beyond the current \$179,000 annually (in addition to the \$46,245 for the City's Immigration Coordinator). If the City believes that Ignite Fredericton is an effective economic development organization, additional funding should be viewed as an investment that will produce a quantifiable return.

In addition to the City's Economic Development Officer currently being seconded to Ignite Fredericton and funding for particular projects, Ignite will receive \$249,245 in 2014-15 from Fredericton, Oromocto and New Maryland. This is compared to \$700,000 for Enterprise SJ from Saint John, Rothesay, Quispamsis, Grand Bay-Westfield and St. Martins and

\$706,167 for Enterprise Moncton from Moncton, Dieppe, and Riverview¹.

Destination Marketing Levy

Debate within the tourism industry in Fredericton regarding a Destination Marketing Levy (commonly known as a 'Hotel Tax') has been slowly moving forward for several years. Other municipalities have reported that its implementation for particular projects have produced results in attracting tournaments, concerts, and conferences to their city.

When avoided as a replacement for marketing funding, such as being targeted as sponsorship for significant events, it has the potential to create positive economic ripples for the hoteliers themselves and other local businesses. Best practices appear to be that this levy is subject to approval by a majority of local hoteliers, but is mandatory once implemented.

We recommend that the City continue to facilitate the implementation of a Destination Marketing Levy, including discussion with the provincial government and advocating to all of the province's political parties to include the levy in their 2014 election platforms. Without this step, the implementation of the new tax will require a referendum. If the levy is implemented, we urge the City not to view these funds as a reason to reduce other tourism-related marketing, but rather to work with the entity distributing these funds to ensure complimentary efforts so that the effect is maximized.

¹ These amounts from Moncton and Saint John also exclude additional funding for SEED loans, special projects, fully funded positions, etc.

Immigration & Skilled Labour

Population growth and the retention of skilled employees are necessary to ensure Fredericton has the right mix of skills available when being considered as the future location for major investment projects or business ventures. Support for immigration and for the retention of foreign students attending university in the city continues to be a priority for population growth. The chamber reiterates its support of the City's application to the Local Immigration Partnerships program.

We would like to acknowledge the City's ongoing support and leadership in this regard through a dedicated Immigration Coordinator and recommend that the City consider making this a permanent position either as part of City Hall or Ignite Fredericton. As evidenced by being the Canadian Chamber of Commerce's top priority for the past two years, the skills gap and the need to grow the population is a nation-wide issue. This means that we are in a competition with every other region in the country, a competition that is unlikely to subside in the near future.

Property Taxation

Chamber members are concerned that while property tax rates in the city have remained stable, property assessments continue to rise at a faster rate than most of the province. This means continuously higher bills for businesses and residents. The actual rate imposed by the City is somewhat irrelevant for practical purposes. We urge the City to consider the tax burden on businesses and individuals for budgeting and economic development purposes. Fredericton may have comparatively lower and stable property tax rates, but this is only half of the equation.

Snow Removal

The winter of 2013-14 saw an inordinate amount of snowfall and accumulation in the

Fredericton region. However, our members in the downtown area found that untimely removal of snow and ice from sidewalks to have hurt sales for a few winters now – with this past year being especially problematic. The problem is generally most acute on Saturdays, with less removal on the traditionally busiest day of the week for downtown businesses. Effective snow and ice removal from downtown sidewalks must be a key component of the plan to make the city more 'walkable.'

Social Development

A secondary pillar to population growth and retention is the appeal of Fredericton as a place to live and raise a family. Past focus on the development of the trails system, sports fields, and arts and culture has been successful in deepening Fredericton's recreational base. Our recommendation is not related to further development, but instead to access.

Those we hope to retain and recruit to the city must be able to see and experience all that the city has to offer. Knowledge and accessibility are keys to this effort. The chamber's Choose Fredericton Expo, while aimed at addressing this issue, was unable to appeal to a wide base of students. We recommend that the City continue efforts in this area through methods that students find approachable such as online web resources and guided onsite introductions to the activities provided to identifiable segments such as university residences.

Where Fredericton has become known as a Start-up City, we also encourage support through our economic development platforms for prospective businesses focused on recreation or tourism projects, which will enhance the economic and social infrastructure to retain businesses and individuals in the city on a long-term basis.

RECOMMENDATIONS – ECONOMIC DEVELOPMENT

- That if the City believes that Ignite Fredericton is an effective economic development organization, consider providing additional direct funding;
 - Work with stakeholders and the provincial government to facilitate the implementation of a Destination Marketing Levy;
 - If a Destination Marketing Levy is established, at a minimum maintain current levels of funding for tourism and marketing;
 - Make the City's Immigration Coordinator a permanent, full-time position;
 - Consider the overall burden of property taxes (rate + assessments) on businesses and individuals for budgeting and economic development purposes;
 - Ensure that effective snow and ice removal be part of the City Centre Plan;
 - Explore options to connect the youth and student population to the city's recreational amenities for the purpose of long-term retention.
-

Council must make long-term infrastructure decisions and work with the provincial and federal governments to leverage funds

INFRASTRUCTURE

Funding

Since the federal government announced the “New Building Canada Plan” in March 2013, the Fredericton chamber has been urging the region’s political representatives at all three levels of government to discuss the area’s infrastructure priorities. With changes to gas tax funding and the renewed Building Canada Plan in 2014, the importance of our tri-level elected officials being on the same page has never been greater. Particularly with the latter, tri-level model, a united voice is critical to access available funding. As the City continues to make long-term plans, maintaining communication with the provincial and federal governments is an important part of fully leveraging municipal funds.

Chamber Infrastructure Survey

In an effort to gauge the community’s priorities on potential infrastructure projects, the chamber conducted an unscientific online survey over the course of six weeks in early 2014. The survey provided a total of six projects that have been discussed in the city recently and each was framed as how it could contribute to the city’s development as an economic driver. For reference, a copy of the survey questions are attached as “Appendix A.”

The six projects were:

1. The City financially contributing to an expansion of the Fredericton International Airport (“airport”);
2. The City providing \$50,000 per year funding to convert the Capital Exhibit Centre coliseum to a fieldhouse (“Exhibit Centre”);

3. The City financially contributing to the ongoing support and maintenance of the Intercultural Centre (“Intercultural Centre”);
4. The City financially supporting the construction of a new southside pool (“southside pool”);
5. The City choosing to replace (rather than refurbish) The Playhouse if it is more cost-effective over the long-term (as the Fredericton Playhouse Condition Assessment report of February 2013 indicates) (“Playhouse”);
6. The construction of a roundabout to connect Smythe Street and Bishop Drive (“roundabout”).

A total of 358 responses were collected over the six weeks. To provide some context of the results, respondents were asked to rank each of the projects listed above in order of importance regarding economic development in Fredericton.

To produce an average score, each time a project was selected as the number one priority, it was assigned one (1) point, the number two priority was worth two (2) points and so on. Therefore, the lower the total score, the higher it places on the survey².

² During the last week of surveying, a concerted effort was made by a group supportive of a new southside pool that caused it to rise from sixth to second place on the list.

The final results of these rankings were:

Rank	Project	Average Score
1	Airport	2.92
2	Pool	3.35
3	Roundabout	3.44
4	Playhouse	3.48
5	Exhibit Centre	3.88
6	Intercultural Centre	3.93

As indicated by shading, the airport expansion project placed first on the list by a fairly significant margin. The southside pool, roundabout and Playhouse were statistically similar, as were the Exhibit Centre and Intercultural Centre. With better-than-expected traffic numbers from the airport again in 2013, a nearly 5.5% increase, the management team is ready to move forward with expansion projects³, part of their Community Air Access Strategy⁴. We commend the City on their substantive work with the Airport Authority over the past months to provide assistance on developing and implementing this strategy.

Particularly with the City's economic development focus on becoming "Start-Up City," air travel will continue to be an increasingly important and regular part of business. If we are to compete in the global marketplace, our businesses need competitive options to access that marketplace. We recommend that the City continue to work with the Airport Authority and other levels of government to ensure that the Fredericton International Airport can expand as needed based on traffic and flight numbers.

The survey also asked if the respondent supported the use of public-private partnerships to fund Fredericton's infrastructure projects, to which 85% of respondents said 'yes'.

³ <http://www.frederictonairport.ca/Latest-News/traffic-fredericton-airport-breaks-records-2013/>

⁴ <http://www.frederictonairport.ca/wp-content/uploads/YFCAirAccessStrategyReport.pdf>

RECOMMENDATIONS - INFRASTRUCTURE

- Work with the region's provincial and federal representatives to ensure the City is leveraging available infrastructure funds for maximum benefit;
 - Supply financial and other support to ensure that the Fredericton International Airport is providing the services needed to allow the business community to fully thrive in the global marketplace.
 - When making current and future infrastructure decisions, consider the rankings as listed above. It is important to note that all citizens were invited to participate in the chamber's survey.
-

Fredericton needs all stakeholders to have a common understanding of city development that supports an achievable, progressive vision.

ZONING/PERMITTING

We submit that the City should strive to make Fredericton as user-friendly for developers and investors as possible in the context of a broad long-term plan that maintains the integrity of the city's essential qualities that make it a highly livable community.

Consultations with stakeholders over the past year have indicated that those who work in the development and construction industries have a high level of satisfaction with City of Fredericton staff. There is some frustration based on the amount of interpretation of existing rules and uncertainty surrounding the beginning of each project. The most troubling aspect of this uncertainty occurs when there are issues with permit after it has been approved without the permit holder requesting any changes.

However, this is generally understood as being a necessity since each application is different and involves numerous factors to be considered and that developing personal relationships through continued experience makes the process smoother. There may be some benefit to posting inquiries and their answers online, an FAQ section similar to a system used by the Canada Revenue Agency.

City staff working closely with applicants during the application stage has been a boon to foster these relationships and save time and frustration. It is noted that some of this uncertainty and up-front work may be more of an issue for those from other regions who have not had the experience with City staff. Given the case-by-case nature of the system and the importance of relationships within it, the City may

consider incorporating ombudsman-like duties to a current position that is not directly involved in this department to help resolve disputes.

With timeliness being a critical component of any business, there is some concern with delays caused by a lack of staff in the permitting office. During busy times of the year it becomes more difficult to obtain needed permits and inspections, which ultimately costs businesses. There is also some confusion with closing out permits. We recommend that City staff advise permit holders that they must request the permit be closed when the project is completed. It may also be of benefit, to have a 'close-out form' attached to the permit.

The online tracking of permit applications, including real-time updates has been received positively by the business community. Similarly, each relevant department getting all applications at the same time is a substantial improvement on the previous linear system. The chamber also commends the City on their infill plan by proactively identifying spaces, including the owner, zone, etc., that may be used to increase density – as referenced in the zoning bylaw review. Particularly from the public's perspective, it would be beneficial to provide zoning/ permitting notices in language that is as plain as possible.

Consultations with member businesses have revealed one particular frustration - with the City's restrictive signage rules. We recommend that the City re-examine section six of By-law No. Z-5, "A Zoning By-law for the City of Fredericton," with a view to providing more choice for businesses to promote themselves as they see fit.

RECOMMENDATIONS – PERMITTING/ZONING

- That consideration be given to posting inquiries and answers online to help define issues – similar to the system used by the Canada Revenue Agency;
 - That consideration be given to establishing an Ombudsman-type position to resolve disputes;
 - That City staff advise permit holders that they have to request that the permit be closed when project is completed and to have a ‘close-out form’ attached to the permit.
 - Consider using terminology that is more understandable to the average citizen when posting/delivering notices.
 - That the City re-examine section six of By-law No. Z-5, “A Zoning By-law for the City of Fredericton,” with a view to providing more choice for businesses to promote themselves as they see fit.
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The chamber looks forward to continued collaboration with the City of Fredericton

CLOSING

The Fredericton Chamber of Commerce expresses its thanks to the City of Fredericton council and staff for their ongoing engagement with the chamber and other community groups. A special thanks to Ken Forrest, Marcello Battilana and Mike Pospolita for meeting with our Municipal Government Affairs Committee earlier this year to give us a better understanding of the processes and procedures surrounding zoning and permitting in the city. It is

exactly this type of collaboration and openness that is the hallmark of a strong city with engaged officials, groups and citizens.

Thank you for taking the time to consider our recommendations and listening to our presentation. We would be pleased to discuss the contents of our brief further at any time.

Appendix A- Fredericton Chamber of Commerce - Infrastructure Survey

1. What is your name and/or organization?

2. The Fredericton airport has discussed plans to expand the terminal building once passenger traffic increases to a level that warrants such construction.

As an economic driver, air access has a direct impact on many organizations doing business outside of the province as well as attracting new investment to the area.

Are you in favour of the City of Fredericton financially contributing to this project?

3. The Fredericton Exhibition Grounds are currently planning on converting the Capital Exhibit Centre coliseum from a curling rink in the winter into a fieldhouse, which would provide a year-round indoor sports facility. The Exhibition Grounds executive director has previously requested \$50,000 per year for 10 years from the City of Fredericton.

As an economic driver, the Exhibit Centre provides a mix of direct (tradeshows, etc.) and indirect (entertainment, etc.) benefits to the community.

Are you in favour of the City providing this funding?

4. In the spring of 2012, it was announced that the former YMCA building in Fredericton was to be made into an Intercultural Centre, with the Multicultural Association of Fredericton being the primary tenant.

As an economic driver, immigration is a focus for the city and province; the Intercultural Centre is meant to be a hub for new immigrants - to consolidate services and provide a central location for assistance.

Are you in favour of the City financially supporting the establishment and maintenance of the Intercultural Centre?

5. A new pool facility for Fredericton's southside has been discussed for several years now.

As an economic driver, the pool would primarily enhance the recreational options in Fredericton, making it a more desirable city to live and work?

Are you in favour of the City of Fredericton financially supporting the construction of a new southside pool facility?

6. The Fredericton Playhouse is a key part of the City's cultural district, which was identified during the Vision 2020 process as an important aspect of the City's current and future economic success.

The City of Fredericton received The Fredericton Playhouse Condition Assessment report in February 2013. The City's press release states, in part:

"The initial cost estimated to construct a new 24,000 sq. ft. facility is estimated to be \$16,100,000, with the 50-year lifecycle cost being \$30,146,363. That is \$4.59 million dollars less than a refurbished Playhouse, which the report says would have to be rebuilt after 30 years."

Are you in favour of the City choosing the replacement option if it is more cost-effective over the long-term even if it has high up-front costs?

7. The City of Fredericton has announced plans to construct a roundabout to connect Highway 8, Smythe Street and Bishop Drive.

As an economic driver, this connection would ease congestion on Prospect Street and Regent Street and encourage traffic flow to high development areas on Bishop Drive and in the Corbett Centre area.

Are you in favour of the construction of this roundabout?

8. Please rank these six infrastructure projects from most important (1) to least important (6) regarding economic development in Fredericton.

Airport Expansion
Exhibition Grounds
Intercultural Centre
Southside Pool
Playhouse
Roundabout

9. Municipalities have been increasing their use of P3 (public-private partnerships) funding over the past few years. Do you support the use of P3 funding for Fredericton's infrastructure projects?

Municipal Government Affairs Committee: 2013-14

Paul Simmonds, Robert Simmonds	Co-Chair
Doug Williams, King Street Alehouse	Co-Chair
Betty Blanchard, Fredericton Convention Centre	Committee Member
Candace Sears, KPMG	Committee Member
Catherine Lawrence, Real Food Connections	Committee Member
Jan Rowinski, ScotiaMcLeod	Committee Member
John Landry, Construction Association of NB	Committee Member
April Barnet, Gemtec	Committee Member
Krista Ross, Fredericton Chamber of Commerce	Chief Executive Officer
Morgan Peters, Fredericton Chamber of Commerce	Policy & Research Manager

Fredericton Chamber of Commerce Board of Directors: 2013-14

Chris Johnston, Atlantic Medical Imaging Services	President
Janice Corey, Corey & Co.	Past President
Joseph O'Donnell, National Bank Financial	First Vice-President
Stephen Hill, Cox & Palmer	Second Vice-President
Nick Norrad, Spacek & Associates	Treasurer
Heather Black, McInnes Cooper	Executive Member
Paul Simmonds, Robert Simmonds	Executive Member
Jill Dickinson, E.W. Clowater & Son (1981.) Ltd.	Board Member
Mark MacKenzie, Green Imaging Technologies Inc.	Board Member
Keir Clark, ScotiaMcLeod	Board Member
Ian LaPointe, Cobalt Properties	Board Member
Cathy Pugh, Fredericton Convention Centre	Board Member
Dan Coleman, University of New Brunswick	Board Member
Laurie Guthrie, City of Fredericton	Board Member
Mark Mahoney, Scotiabank	Board Member
Doug Williams, King Street Alehouse	Board Member
Dolores Whalen, LuminUltra Technologies	Board Member
Lynn Fullarton, Optimized Planning and Interiors	Board Member
Carlos Jabbour, Radiant Learning International	Board Member
Haley Flaro, Ability NB/Capacite NB	Board Member
Charit Khatri, Bulletproof Solutions	Board Member