

Briefing Document  
City of Fredericton  
Governance & Civic Engagement Committee

Fredericton Chamber of Commerce  
10 February 2022



**Introduction to the Chamber**

The [Fredericton Chamber of Commerce](#) was established in 1874 and has been in continuous operation in the city ever since. Chambers of commerce are membership-based organizations and in Fredericton we currently have just over [1,000 members](#) – making us the second-largest chamber in Atlantic Canada (behind Halifax). Our membership is broad but is comprised largely of small businesses with fewer than 20 employees, while approximately 10% of our members are not-for-profit organizations.

We are governed by a [21-person board of directors](#) and have [six staff members](#). Much of our work is accomplished through our [committee structure](#) – some of these include Government Affairs Committee (which prepared this presentation), Immigration Advocacy Committee, Indigenous Partnerships Committee, Physician Recruitment & Retention Committee and Policy Committee. Our [organizational vision](#) is *Stronger Community Through Business Prosperity*.

Each year our board of directors sets our “[policy priorities](#)”. For 2022, they are:

- Competitive Business Environment
- Workforce Development
- Immigration/ Population Growth
- Innovation, Digitization and the Knowledge Economy
- Accessing Primary Health Care

These priorities help to guide the chambers advocacy work throughout the year. Similarly, it would be helpful for businesses (and the community at large) to have an understanding of the current Council’s priorities – particularly on issues that related directly to the economy. A clear set of priorities may also assist communication efforts on particular projects or initiatives, if there was a better understanding of how they fit into the larger plan.

**Recommendation:**

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| <ol style="list-style-type: none"> <li>1. Articulate a list of priorities for the 2021-2025 City Council (including, but not limited to economic development priorities), along with measurable KPIs to gauge success.</li> </ol> |
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**Chamber-City Collaboration**

Fredericton’s chamber of commerce and City government have one of the best working relationships in any community in Atlantic Canada. The level of collaboration, communication and cooperation between our organizations continues to benefit the chamber’s members and all citizens – reflected in our organizational vision: *Stronger Community Through Business Prosperity*. A local economic environment that fosters sustainable growth and business success means high employment, low commercial vacancies and the tax revenue that government needs to provide the services and amenities that residents deserve.

We collaborate more frequently with Ignite Fredericton than any other organization on a wide variety of issues, projects and events. Ignite, the chamber and other City officials have also met with other local organizations such as Business Fredericton North, Downtown Fredericton and the airport on a monthly basis for many years as “the agencies” group.

Since the beginning of the pandemic this relationship has been further strengthened through our joint efforts to mitigate the impacts of COVID-19 and related Public Health and Public Safety restrictions. In

particular, working with Fredericton Tourism on the *Support Fred Local* campaign has been incredibly successful and we appreciate the efforts of the team on that campaign but also more broadly for their consistent contributions to enhancing the business environment.

Some other specific actions that the business community has appreciated during the pandemic include Fredericton al fresco, extending patio season downtown and enhanced communication regarding construction projects and street closures - thank you. Moving forward, we look forward to continuing to build on this momentum and working together for the betterment of our city.

**Economic Development / Business Environment**

Economic development is an investment in our community and we commend City Council for continuing to provide funding to Ignite Fredericton and to other specific projects on an opportunity basis. The municipality has shown a willingness to demonstrate a “bias towards ‘yes’” to support local, innovative solutions and we encourage this strategy to continue and expand wherever possible.

As one of the larger organizations with a wide breadth of responsibilities and activities, the City of Fredericton is an important ingredient in the local economic ecosystem beyond its role as a municipal government - it is also one of the largest employers. There may be opportunities to leverage this position to enhance partnerships in the area, particularly with one of Fredericton’s advantages - our post-secondary institutions.

We have emphasized the importance of funding experiential learning opportunities for post-secondary students to the provincial government on many occasions as an important factor to (a) providing needed skills to students prior to entering the workforce fulltime; and (b) increasing retention rates by making connections in the community while they are still in school. With the wide variety of departments and positions within the City of Fredericton, we encourage actively seeking partnerships with the post-secondary institutions as much as possible to aid these student retention efforts.

Fredericton has benefited greatly from council’s decades-long emphasis on innovation and technology - from the Fred-e-zone to the current work on 5G access. There is significant alignment and opportunities for post-secondary partnerships in this area as well – particularly with the University of New Brunswick, but also on a broader basis within a growing knowledge economy with organizations such as Cyber NB and the McKenna Institute, as well as local entrepreneurs, globally-positioned companies and an award-winning startup ecosystem. With a population growth target of 1,000 people per year for 25 years, the City will have to invest in innovative solutions to service provision.

**Economic Development Recommendations:**

1. Expand experiential learning opportunities within the City of Fredericton for post-secondary students in the community.
2. Continue to provide funding for Ignite Fredericton and other ad hoc economic development opportunities and with a “bias towards yes” to local entrepreneurs with innovative ideas and solutions.
3. Actively seek partners within Fredericton’s knowledge economy ecosystem and continue to invest in technology infrastructure, software and expertise.

**Immigration**

The Chamber and City have worked closely together on the immigration initiatives for many years. This work has recently been formalized with the creation of the Local Immigration Partnership and the City of Fredericton Five-Year Immigration Strategy – finalized in 2019. The three pillar organizations of the strategy are the chamber (responsible for advocacy), Ignite Fredericton (programming) and the Multicultural Association of Fredericton (settlement).

Welcoming newcomers to Fredericton is good for the community and good for the economy. We appreciate the City’s aggressive population growth targets and look forward to continuing to work together to make it a reality. A growing population means a growing economy and notably, about 50% of entrepreneurs currently housed at Planet Hatch are newcomers.

The chamber has put emphasis on policy and advocacy work related to retaining more post-secondary students - particularly international students. Since 2016, we have had a memorandum of understanding in place with the New Brunswick Student Alliance. This agreement provides students with access to our events and formalizes our advocacy relationship on mutual goals.

On the national level, we’ve passed two immigration-related policy resolutions through the Canadian Chamber of Commerce policy process:

- Attracting and Retaining More International Students Through Canadian Work Experience
- Improving the Startup Visa Process (with guidance from Planet Hatch)

Immigration and population growth are mutual priorities for our organizations and we look forward to our continued partnership with the five-year immigration strategy and beyond.

**Immigration Recommendations:**

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| <ol style="list-style-type: none"> <li>1. Continue with growth target of 1,000 new residents per year while collaboratively addressing barriers and opportunities to reach the goal.</li> <li>2. Work with community stakeholders on initiatives and ideas that help to welcome and settle newcomers to increase their chances of remaining in Fredericton.</li> <li>3. Collaborate with other partners to advocate for improved credential recognition processes.</li> </ol> |
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**Infrastructure / Procurement**

Infrastructure renewal is one of the critical functions of the municipality and is a necessary part of developing a strong business environment. It is also an area where communities must be careful to make the right decisions and not over-extend themselves and we support Council’s 8% debt cap budgeting.

Conversely, active construction projects can be very disruptive to individual businesses and we appreciate all efforts to communicate to affected locations and to the community at large. The City’s communication efforts have been noticeably enhanced and we encourage continuing with as much signage / directional information as possible as well as other efforts such as the weekly road construction update. We will also continue to be a communications conduit to the business community.

We have heard from members that current City of Fredericton procurement policies does not sufficiently weigh the benefits of hiring local firms, resulting in awarding contracts to out-of-province companies that could otherwise be performed by Fredericton or New Brunswick companies. The ancillary effects of hiring local firms (or not) means that procurement does have economic development consequences and well-designed policies can ensure these effects are positive.

Infrastructure / Procurement Recommendations:

1. Retain council's 8% debt cap policy.
2. Analyze possible infrastructure investments through a business lens (amongst others), including providing economic impact assessments.
3. Working with local developers and suppliers, review the City's procurement policy to ensure maximum benefits to the community.
4. Wherever possible, use positive language in communications, including signage. Example: "Businesses Remain Open" vs "Street Closed".

**Housing**

The availability of housing at all levels of the market is an issue across the country and represents one of the biggest barriers achieving economic development and population growth goals. Housing stock is a prerequisite for attracting and settling skilled employees, newcomers or ex-pats. The National Housing Day event organized by the City and Greater Fredericton Social Innovation in November provided an opportunity to jumpstart the conversation with representatives from the private, public and nonprofit sectors and this is problem that requires a multi-pronged approach by all stakeholders.

Fredericton's residential housing construction has increased dramatically over the past two record-setting years – mitigating the significant drop in commercial projects. With \$134.7 million in residential construction permits in 2021, we are on the right track, and it is critical to keep this momentum going. The current shortage of housing and population growth projections means this level of construction is needed and more moving forward. Similarly, we support the recent bylaw amendment to change single-room occupancy rules. Moving forward, becoming increasingly creative with affordable housing policy-making will be a key tool for municipal government.

One of the key levers at the City's disposal is the residential and commercial property tax rate. We were surprised that given the financial difficulties for residents and businesses over the previous two years that City Council chose to only reduce the property tax rate by 2.25 cents per \$100 after assessments jumped 9.2% in the Fredericton. The difference of \$8 million means an average commercial property tax bill increased \$522 this year. No doubt the City government can endlessly find 'good' uses for extra tax dollars, but this is the worst possible year to add this burden to businesses (and homeowners). As a collaborative step, the City can assist in our advocacy for the provincial government to eliminate the non-owner-occupied property tax rate (the so-called "double tax").

Housing Recommendations:

1. Continue to work with partners on innovative housing solutions such as the 12 Neighbors project.
2. Work with local developers to create an affordable housing strategy, including incentives that will stimulate development of affordable units.
3. Advocate to the provincial government to eliminate the non-owner-occupied property tax rate.

**Homelessness**

The number of people experiencing homelessness in Fredericton has seen a noticeable uptick over the previous couple of years. No doubt there are many complex reasons for this and viable, sustainable solutions will be equally complex and involve all levels of government, the private sector and the community. We appreciate that efforts are being made by the City to manage the situation both on a short-term and longer-term basis, but the problem persists and the actions of some continue to have a detrimental effect on small businesses – both in the downtown and uptown areas. We must provide the care needed to our most vulnerable citizens without ignoring the damage being done to our local economy and livability of the community.

We were pleased to hear during the State of the City Address that the City has launched a housing needs assessment with a view to creating a new housing strategy. This is a great step forward and we look forward to being part of the solutions identified.

**Primary Health Care**

Late in 2021, Ignite Fredericton and the chamber launched a working group to identify gaps and action items regarding accessing primary healthcare in the area. To date, the working group has gained the support of the NB Medical Society and hosted a roundtable with two dozen stakeholders as an initial step. The chamber has been involved with primary health care since 2009 with the launch of our Physician Recruitment & Retention Committee. We also engage with the provincial government with health care policy through our Government Affairs Committee and provide business basics training to medical residents at the Dr Everett Chalmers Hospital.

**Local Government**

As the implementation of local government reform begins to take shape in our region, we have appreciated the communication of the City’s perspective on the rollout. We are willing to provide advocacy support to the City where appropriate and where needed, including supporting Fredericton’s municipal plan’s focus on increasing density. It is important that the business community continues to understand the City’s perspective as well as possible impacts of initiatives or changes on the local economy.

Some of our priorities for the chamber as the process unfolds are:

- Local government reform should not overtake economic development reform. As economic development is in investment, we hope the City continues to provide support for economic development and indeed, expand and grow that support where opportunities exist.
- That the City use the flexibility provided for commercial rates to provide some relief to businesses - I.e. use the 1.4 multiplier rate allowed under new rules.

- Finding ways to encourage even more residential housing construction within a regionalized system – whether through reviewing the permitting system, changing land use requirements, incentivizing certain types of housing, increasing density, etc.

It is our understanding that the provincial government will soon release the results of its assessment of air service in New Brunswick. GNB has signaled that they are seeking a more collaborative model for the province's airports. If provincial/regional committees or groups are struck, it is critical that both City officials and local business/economic development people are part of the ongoing process – particularly since the airport will now be within city limits.

### **Relationship Building**

A key piece (sometimes a challenge) for municipal governments is building and maintaining key relationships. Looking from the outside, it appears that the City's relationship with the Government of New Brunswick could be described as transactional (at best) and all parties would benefit from a more collaborative approach. Indeed, each area/issue identified above requires at least one other level of government to be involved with solutions. With a more cohesive working relationship, opportunities are endless – student attraction and retention, sharing facilities / infrastructure, supporting startup entrepreneurs, a collaborative innovation strategy and much more.

We also believe it is critical that the municipal government (and others, including the chamber) continue to build better relationships with Indigenous communities. To this end, the chamber launched an Indigenous Partnerships Committee in 2020 in order to take a more active and intentional role in fostering these relationships. It makes good economic sense, but more importantly, we are a better, stronger community when more people are invested in collective success. We note the City seems to have made tangible progress in this regard over the past year.

### **Conclusion**

Business is a force for good in our community - providing jobs, services to citizens and tax revenue to government. Every dollar government has to spend starts with a business transaction so the healthier the local business environment, the better positioned the community. The chamber and the City have an excellent working relationship, which we would like to continue and expand. We have a large, diverse board of directors, a robust committee system and access to more than 1,000 chamber members – we have the expertise to be council's sounding board and business lens and would be happy to discuss potential policies / actions by the city prior to implementation.

We look forward to working with this council for the next four years and helping make Fredericton the best it can be.