



City of Hamilton
GENERAL ISSUES COMMITTEE
ADDENDUM

Meeting #: 24-016
Date: October 2, 2024
Time: 9:30 a.m.
Location: Council Chambers (GIC)
Hamilton City Hall
71 Main Street West

Angela McRae, Legislative Coordinator (905) 546-2424 ext. 5987

6. DELEGATION REQUESTS

- *6.1 Ali T Ghouse, Muslim Council of Greater Hamilton, respecting information about the Muslim community's achievements, plans for Hamilton, aspirations and how it relates to activities in the City and City Council (In-Person) (For a future meeting)

8. STAFF PRESENTATIONS

- *8.1 Economic Development Action Plan 2023 Update (PED24118) (City Wide) - PRESENTATION REVISED
- *8.2 Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan (PW24057/FCS24045) (City Wide) (Outstanding Business List Item) (Presentation Attached)

14. PRIVATE AND CONFIDENTIAL

*14.1 Closed Session Minutes - September 18, 2024

Pursuant to Section 9.3, Sub-sections (c), (e), (f) and (j) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-sections (c), (e), (f) and (j) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to a proposed or pending acquisition or disposition of land by the municipality or local board; litigation or potential litigation, including matters before administrative tribunals, affecting the City or a local board; and the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and a trade secret or scientific, technical, commercial, or financial information that belongs to the municipality or local board and has monetary value or potential monetary value.

*14.2 Confidential Correspondence from Hamilton Wentworth District School Board

Pursuant to Section 9.3, Sub-section (c) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-section (c) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to a proposed or pending acquisition or disposition of land by the municipality or local board.

*14.3 Memorandum of Understanding with City and Aeon Studio Group on Barton-Tiffany Lands (PED19063(g)) (Ward 2)

Pursuant to Section 9.3, Sub-sections (c), and (j) of the City's Procedural By-law 21-021, as amended, and Section 239(2), Sub-sections (c), and (j) of the *Ontario Municipal Act, 2001*, as amended, as the subject matter pertains to a proposed or pending acquisition or disposition of land by the municipality or local board; and a trade secret or scientific, technical, commercial, or financial information that belongs to the municipality or local board and has monetary value or potential monetary value.

Submitted on Wed, 09/25/2024 - 19:55

Submitted by: Anonymous

Submitted values are:

Committee Requested

Committee
General Issues Committee

Will you be delegating in-person or virtually?
In-person

Will you be delegating via a pre-recorded video?
No

Requestor Information

Requestor Information
Ali T Ghouse
Muslim Council of Greater Hamilton



Preferred Pronoun
he/him

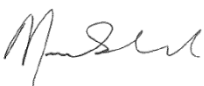

Reason(s) for delegation request
The purpose will be to share information about the Muslim community's achievements, plans for Hamilton, aspirations and how it relates to activities in the City and City Council.

Will you be requesting funds from the City?
No

Will you be submitting a formal presentation?
No



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	October 2, 2024
SUBJECT/REPORT NO:	Economic Development Action Plan 2023 Update (PED24118) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Adam Durrant (905) 546-2424 Ext. 4486
SUBMITTED BY:	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
SIGNATURE:	
SUBMITTED BY:	Lisa Abbott Director, Tourism and Culture Planning and Economic Development Department
SIGNATURE:	

COUNCIL DIRECTION

Not Applicable.

INFORMATION

Overview

On October 27, 2021, Hamilton City Council approved the 2021- 2025 Economic Development Action Plan (PED21001). This strategy identified six priority areas of work: facilitating a skilled and adaptable workforce; enhancing digital infrastructure and services; growing business and investments; moving goods and people; revitalizing priority areas and placemaking; building transformational projects.

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This update serves as a mid-action plan score card on The Plan's 77 action items and its 13 stretch targets. In addition to providing an update on key metrics, this update will identify the action items that will be rolled into the 2026 - 2031 Economic Development Action Plan.

At the end of 2023, 36 of The Plan's 77 action items were completed, with 37 in various stages of development and four awaiting initiation. Table 1 provides a high-level breakdown of these actions grouped by each Economic Development Action Plan priority area. Appendix "A" to Report PED24118, attached provides a progress scorecard on each item. Among the completed action items there are some which represent finite projects (e.g., document production or strategy creation) and others that represent ongoing work. These are noted throughout the Economic Development Action Plan Update.

Table 1. Economic Development Action Plan Action Item Score Card

Economic Development Action Plan Area	Completed as of 2023	In Development in 2023	Awaiting Start in 2023
Skilled and Adaptable Workforce	5	5	1
Enhancing Digital Infrastructure and Services	5	4	0
Growing Business and Investment	9	7	2
Moving Goods and People	6	6	1
Revitalizing Priority Areas and Placemaking	9	4	0
Building Transformational Projects	2	11	0
All Economic Development Action Plan Actions	36	37	4

Table 2a and 2b provide a high-level summary on each of Economic Development Action Plan's stretch targets.

Table 2a. Economic Development Action Plan Stretch Target Scorecard Part 1

Stretch Target	2023 Update	Current Status
Add seven million square feet of new Industrial/Commercial space	2021 – 1,754,360 square feet added 2022 – 988,643 square feet added 2023 – 1,951,968 square feet added Total – 4,694,971 square feet added	On Target

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Stretch Target	2023 Update	Current Status
Generate a total of \$2.5 billion in Industrial/Commercial construction value	2021 – \$717,247,894 generated 2022 – \$326,145,645 generated 2023 – \$700,049,563 generated Total - \$1,743,443,102 generated	On Target
Increase new gross commercial/industrial assessment by 1.5 % per year	3.2% increase in assessment in 2021 (\$204 million) 3.4% increase in 2022 (\$284.5 million) 3.5% increase in 2023 (\$290.5 million)	Achieved Ongoing
Triple the municipal tax assessment on the Stelco lands	2021 assessment: \$42,270,000 2022 assessment: \$42,270,000 2023 assessment: \$43,905,000	Behind Target
Increase Hamilton's shovel-ready land supply by 500 acres	2020 shovel-ready supply: 671.1 Acres 2022 shovel-ready supply: 676.3 Acres 2023 shovel-ready supply: 569.6 Acres	Behind Target
Increase immigration to Hamilton by 25% by 2025 (2019 Immigration Refugees and Citizenship Canada reported immigration admissions for Hamilton as the baseline)	5,405 immigrants to Hamilton in 2021 – a 52.3% increase on the 2019 benchmark 4,530 immigrations to Hamilton in 2022 – a 25.3% increase on the 2019 benchmark 5,815 immigrants to Hamilton in 2023 – 79.2% increase on the 2019 benchmark Average increase across 2021-2023: 40.8%	Achieved - Ongoing

Table 2b. Economic Development Action Plan Stretch Target Scorecard Part 2

Stretch Target	2023 Update	Current Status
Create and maintain a list of 1,000 living wage employers in Hamilton	2021: 255 employers self-identified 2022: 368 employers self-identified 2023: 100 employers self-identified Working list: approx. 741 employers	On Target

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Stretch Target	2023 Update	Current Status
Achieve an average ground-floor commercial storefront occupancy of 90% across the Business Improvement Areas	2021 Average of BIA Occupancy: 93.2% 2022 Average: 89.3% 2023 Average: 87.0%	Behind Target
Reduce downtown office vacancy rate to pre-pandemic levels (2019 as benchmark)	2021 Vacancy Rate: 12.9% (1.0% above the 2019 rate) 2022 Vacancy Rate: 13.3% (1.4% above the 2019 rate) 2023 Vacancy Rate: 14.5% (2.6% above the 2019 rate)	Behind Target
Invest a minimum of \$1 million in tourism development from the Municipal Accommodation Tax Program	\$1.8 million in tourism-related funding requests were approved by the Hamilton Tourism Development Corporation board on June 7, 2024.	Achieved - Ongoing
Attract five major events that generate a total combined economic impact of at least \$50 million	Seven major events attracted within the scope of the 2021-2025 Economic Development Action Plan Realized economic impact from 6 held events 2021-23: \$106,500,000	Achieved - Ongoing
Increase transit ridership to pre-pandemic ridership levels by 2023	2021 ridership (revenue rides): 9.9 million, 46.0% of 2019 benchmark 2022 ridership 15,2 million, 70.3% of 2019 benchmark 2023 ridership: 19.0 million, 88.1% of 2019 benchmark	Achieved - Ongoing (as of Q1 2024)
Generate \$1 million in direct City revenue from film production activity within Hamilton	2021: \$957,408 generated 2022: \$721,207 generated 2023: \$389,494 generated Total 2021-2023: \$2,068,109	Achieved - Ongoing

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Update on Action Items Achieved in 2023

The completed items under the facilitation of a skilled and adaptable workforce include:

- Action Item 5: In collaboration with the workforce development community, create and implement a Workforce Attraction, Retention and Development (Talent) Strategy;
 - Hamilton's Workforce Strategy was launched and completed in 2023. The strategy was approved at General Issues Committee (PED23194) on November 1, 2023;
- Action Item 11: Partner with the workforce and business community to identify employment programs, work development opportunities and initiatives in Hamilton focused on equity-seeking groups, groups disadvantaged by discrimination and marginalized communities in order to recommend future strategies to address existing needs and gaps. (Ongoing); and,
 - Staff's ongoing participation in Mohawk College's Challenge 2025 Program reflect Economic Development's commitment to supporting demand-led training that closes workforce gaps and provides employers with the resources required to meaningfully engage with Hamilton's Labour Market. Furthermore, an application to the 2024 My Main Street Program spearheaded by the Commercial Districts and Small Business Section includes a Pop-Up Market with a focus on newcomers and entrepreneurs from equity-seeking groups.

The completed items under growing business investment include:

- Action Item 29: Examine the tourism and business attraction potential of e-Gaming. (Ongoing);
 - Tourism Hamilton responded to national and provincial eGaming bodies submitting bid opportunities as they arose in 2023. Preparedness for responding to bids is expected to continue for the duration of the Economic Development Action Plan; and,
- Action Item 37: Implement a soft-landing program for international businesses wanting to establish a presence in Hamilton;
 - An updated soft-landing program employs a digital intake through investinhamilton.ca. This portal streams potential businesses into

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consultations with Economic Development's Global Hamilton team. Services include program navigation, connection with community services, professional resources, and connections to coworking workspaces. Soft Landing is now embedded into Innovation Factory's Runway Program.

The completed items under moving goods and people include:

- Action Item 46: Update the Goods Movement Sector Strategy;
 - The Goods Movement Strategy was launched in 2022 and completed in 2023. The strategy was approved at General Issues Committee (PED24049) on May 15, 2024;
- Action Item 49: Engage with transportation associations, McMaster Institute for Transportation and Logistics and Fluid Intelligence Program to improve goods movement capabilities, technology and improved sustainable alternatives; and,
 - The McMaster Institute for Transportation and Logistics served as the primary author of the Goods Movement Strategy (PED24049). Additional quantitative evidence, and commensurate recommendations and action items, were generated through collaboration with Fluid Intelligence.

The completed items under revitalizing priority areas and placemaking include:

- Action Item 52: Study the short and mid-term pandemic impacts on the Hamilton office market. (Ongoing);
 - Economic Development Staff provided two reports on the downtown Hamilton office market in 2023 (PED23081 and PED23081(a)). The Reports detailed significant funding and actions to revitalize the Hamilton office market. Placemaking funding outlined in PED23081 is part of a multi-year effort to support Hamilton's office market;
- Action Item 54: Develop and implement a targeted marketing campaign for Hamilton's office market (Ongoing); and,
 - Economic Development Staff delivered three campaigns to promote Hamilton's office market in 2023. The outputs of these projects included the creation of videos and digital marketing campaigns to support the Start-Up and Office Tenant Attraction Program, and the creation of a dedicated Downtown Hamilton microsite on investinhamilton.ca. This microsite will be expanded in 2024 as staff conduct a content update on

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investinhamilton.ca. The current site can be accessed at www.investinhamilton.ca/joinusdowntown/.

The achieved items under building transformational projects include:

- Action Item 61: Review and update the Environmental Remediation and Site Enhancement Community Improvement Plan;
 - In 2023, staff brought forward recommended program changes with a focus on better supporting affordable housing on brownfields, incentivizing environmentally sustainable remediation and developments, as well as supporting the overall financial sustainability of the programs. Recommendations were approved at General Issues Committee on April 19, 2023 (PED23076) and the implementing bylaws were approved by Council in June 2023. An updated Community Improvement Plan and programs came into full effect as of July 11, 2023;
- Action Item 63: Update all Commercial Market Assessments for individual Business Improvement Areas; and,
 - Commercial Market Assessments for all 11 active Business Improvement Areas were completed in 2023.

Update on Stretch Targets

Stretch Target 1: Add Seven Million Square Feet of New Industrial Commercial Space

The City of Hamilton added approximately 160,481 square feet of commercial space and 1,791,487 square feet of industrial space for a total of 1,951,968 square feet of industrial and commercial space added in 2023. During the first three years of the Economic Development Action Plan, the City of Hamilton has realized approximately 4,694,971 square feet of industrial and commercial space. This figure is 62.6% of the five-year stretch target.

Stretch Target 2: Generate a total of \$2.5 billion in Industrial/Commercial construction value.

In 2023, the City of Hamilton achieved \$143,436,427 in commercial construction values and \$556,613,136 in industrial construction values. Adding the combined \$700,049,563 to the 2022 construction value of \$326,145,64 and the 2021 construction value of \$717,247,8945 yields a total of \$1,743,443,102 between 2021 and 2023. This figure is 69.7% of Economic Development Action Plan target.

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Stretch Target 3: Increase new gross commercial/industrial assessment by 1.5 % per year.

In 2023 the gross assessment of the industrial and commercial classes combined increased by \$290.5 million which is a 3.5% increase from 2022 and represents the continuation of the upwards trend in assessment growth in these property classes; assessment growth in 2021 and 2022 were 3.2% and 3.4% respectively. Some of the most notable developments include the expansion of the UPS facility, the expansion of the U-Haul facility and the new Hampton Suites Hotel. This new assessment is expected to bring additional revenue to the city of approximately \$7.7million.

Stretch Target 4: Triple the municipal tax assessment on the Stelco lands.

The former Stelco, now Slate/Steelport, lands were subject to recent severance. These lands are now assessed under two role numbers.

\$32,421,000 - 386 Wilcox Street; and,
 \$11,484,000 -1055 Industrial Drive.
 \$43,905,000 -Total

In addition, following the Assessment Review Board's May 2022 Decision which confirmed the assessment returned by Municipal Property Assessment Corporation for the 2018-2022 tax year appeals, the City filed a Request for Review of the Decision with the Assessment Review Board which resulted in the issuance of a Review Decision ordering a rehearing of the appeals. The City also filed an Assessment Review Board appeal for the 2023 tax year.

Stretch Target 5: Increase Hamilton's shovel-ready land supply by 500 acres.

Between 2022 and 2023 the City of Hamilton added approximately 48.7 acres of fully serviced shovel-ready land to the City's inventory. During that same period approximately 155.4 acres of land were used for building projects. As of 2023, the City of Hamilton's supply of fully serviced land across all business parks was approximately 569.6 acres.

For additional context, between 2020-2023 the City of Hamilton has added approximately 191.0 acres of fully serviced shovel-ready land to the City's inventory. During that same period approximately 292.2 acres of land were used for building projects.

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Table 3. Shovel Ready Land Supply

Business Park	2022-2023 Lands Brought Online	2022-2023 Lands Utilized	2023 Shovel Ready Supply
Ancaster	0.0	23.2	60.8
AEGD	0.0	18.0	38.5
Bayfront	0.0	11.9	94.4
Dundas	0.0	0.0	0.0
East Hamilton	0.0	5.2	16.8
Flamborough	0.0	0.0	46.9
Redhill South	5.4	50.9	142.1
Redhill North	21.0	19.5	53.4
West Hamilton Innovation District	0.0	0.0	7.4
Stoney Creek	22.2	26.7	109.2
Total	48.7	155.4	569.6

Stretch Target 6: Increase immigration to Hamilton by 25% by 2025 (2019 Immigration Refugees and Citizenship Canada reported immigration admissions for Hamilton as the baseline)

Data from Immigration Refugees and Citizenship Canada, noted in Table 4, reflects Hamilton's share of Canada's international immigrants.

Table 4. Immigration to Hamilton

2019 Total	2020 Total	2021 Total	2022 Total	2023 Total
3,245	2,185	5,405	4,870	5,815

These data note a 79.2% increase in the 2023 immigration figures over the 2019 benchmark. The 2020-2023 average of immigration to Hamilton is a 40.8% increase over the 2019 benchmark.

Stretch Target 7: Create and maintain a list of 1,000 living wage employers in Hamilton.

In 2023 Economic Development Staff delivered the Employer One Survey (Formerly Hamilton Workforce and Business Needs Survey) in partnership with Workforce Planning Hamilton. The data collection period for this survey, which extensively leverages email marketing as its primary method of driving completions, was adversely

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impacted by the Cyber Incident of 2024. As a result, only 100 additional self-identified living wage employers were identified in this process.

Since 2021, a total of 741 survey respondents have self-identified as living wage employers. With access to previous data restored, efforts to collaborate with the Ontario Living Wage Network and the Hamilton Roundtable for Poverty Reduction can resume.

Stretch Target 8: Achieve an average ground-floor commercial storefront occupancy of 90% across the Business Improvement Areas

Table 5 provides an update on the ground floor occupancy in Hamilton's business improvement areas. The average ground floor storefront occupancy across all of Hamilton's Business Improvement Areas was 87.0% as of the 2023 Business Improvement Area occupancy audit. 2023's data reported seven Business Improvement Areas with occupancy above 90%.

Table 5. Business Improvement Area Occupancy Rates

2021 Average	93.2%
2022 Average	89.1%
2023 Average	87.0%

Stretch Target 9: Reduce downtown office vacancy rate to pre-pandemic levels (2019 as benchmark)

As of Fall 2023, approximately 14.5% of the Downtown Urban Growth Center's total office square footage (for buildings with at least 5,000 square feet of office space) was vacant. Table 6 provides historical context on this vacancy, which has continued to increase since the 2019 benchmark. Economic Development Division staff are heavily engaged in ongoing discussions and collaborations with major downtown landlords to review current priorities and rental trends and provide ongoing support where possible. (Reports PED23081 and PED23081(a)). Additionally, a transformed office market following the COVID-19 pandemic is informing a methodology change with respect to how Economic Development staff measure the Urban Growth Centre's office vacancy. This change will be reflected in the next Economic Development Action Plan update.

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Table 6. Downtown Urban Growth Centre's Office Vacancy Rates

Year	Total Square Footage	Total Vacant Square Footage	Vacancy Rate
2019	5,598,287	667,720	11.90%
2020	5,645,283	705,269	12.50%
2021	5,631,982	728,670	12.90%
2022	5,196,050	690,789	13.30%
2023	5,098,307	712,229	14.50%

Stretch Target 10: Invest a minimum of \$1 million in tourism development from the Municipal Accommodation Tax Program

Collection of the Municipal Accommodation Tax begin on January 1, 2023. The Hamilton Tourism Development Corporation was established with funding commitments to begin in 2024. For additional context, the board of the Hamilton Tourism Development Corporation met on June 7, 2024, and approved a slate of tourism investments (Report No. 24001). Funding investments for approved tourism projects are to begin in 2024 and will exceed \$1.8 million by 2029.

Stretch Target 11: Attract five major events that generate a total combined economic impact of at least \$50 million.

Hamilton has attracted seven major events for the lifespan of the 2021-2025 Economic Development Action Plan:

- 2021 Grey Cup;
- 2022 NHL Heritage Classic;
- 2022 ISU World Skating Championships;
- 2022 FIFA Men's World Cup Qualifier;
- 2023 Canadian Country Music Awards;
- 2023 Grey Cup; and,
- 2024 Canadian Open.

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The four events hosted in 2021 and 2022 realized an estimated economic impact of \$21,000,000.

In 2023, the Canadian Country Music Awards realized an estimated economic impact of \$12,000,000. The 2023 Grey Cup realized an estimated economic impact of \$73,500,000.

Hamilton has now realized an estimated economic impact of \$106,500,000 within the lifespan of the 2021-2025 Economic Development Action Plan.

Stretch Target 12: Increase transit ridership to pre-pandemic ridership levels by 2023.

Table 7 breaks down the annual number of revenue-generating rides on Hamilton Street Railway between 2019 and 2023.

Table 7. HSR Annual Ridership

Year	Revenue Ridership
2019	21,659,817
2020	11,781,830
2021	9,972,964
2022	15,216,234
2023	19,092,478

Ridership in 2023 represents a 25.5% year-on-year increase in ridership. This increase was 88.1% of the pre-pandemic benchmark. Notably, February 2024's ridership was 102.1% of pre-pandemic ridership. Economic Development staff, in close collaboration with Hamilton Street Railway, will continue reporting on this stretch target on an annual basis.

Stretch Target 13: Generate \$1 million in direct City revenue from film production activity within Hamilton.

Table 8 captures the 2021-2023 direct City revenues from film production activity. In three years, the City of Hamilton has earned \$2,068,109 from film production, more than doubling the stretch target despite the negative impacts of the COVID-19 pandemic and the 2023 Writers Guild of America strike.

Table 9: Annual City Revenues from Film Production

Year	Direct City Revenues
2021	\$957,408
2022	\$721,207
2023	\$389,494

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Total	\$2,068,109
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Anticipated Outcomes on In-Process Action Items

This section provides an overview of the expected outcomes of the currently in-development action items of the 2021-2025 Economic Development Action Plan. At present, there are 36 completed action items of the 77 listed in the Economic Development Action Plan. Among the remaining 42 action items, it is expected that 25 will be completed within the life span of the 2021-2025 Economic Development Action Plan. The remaining 16 will be rolled into 2026-2031 Economic Development Action Plan either as continued action items or value statements that shape the Economic Development Action Plan, itself.

A number of these action items are ongoing activities that require collaboration across multiple levels of government and the collaboration of various industry partners e.g., emissions reduction, supporting energy retrofits, implementing district energy in Hamilton's business parks, and addressing needs and gaps in business supports for supporting equity-deserving groups.

Some of these actions, such as Action Item 36. "Support and pursue potential funding and partnership opportunities for Hamilton industrial manufacturers to invest in emissions reduction technologies" will be perpetual tasks for Economic Development as to ensure the Division is working toward sustainable economic and ecological development.

Others are large-scale infrastructure projects, such as the Dickenson Road trunk sewer and the Dartnall Road expansion.

The roll over action items are listed in Table 10 Appendix "A" to Report PED24118 provides a breakdown of every action item including its project status and its completion/rollover status.

Table 10. Action Items to Be Incorporated into the 2026-2031 Economic Development Action Plan

9	Implement a Hamilton Collaborative Talent Zone space where industry and local partners focus on teaching and closing any skills gaps in the Hamilton workforce.
10	Apply to participate in the Municipal Nominee Program.
22	Identify opportunities to increase Social, Local and Green Procurement.
23	Update the Film By-law.
25	Update and implement the Hamilton Music Strategy.
27	Create and implement a Business Succession Planning Program Lead.

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31	Establish a local Energy Retrofit accelerator providing a one-stop portal for Hamilton businesses and residents to find local retrofit providers, suppliers, and experts.
33	Study the feasibility of establishing an agriculture, agri-food, and rural Community Improvement Plan.
38	Identify the existing and scope of business support and initiatives in Hamilton focused on equity-seeking groups, groups disadvantaged by discrimination and marginalized communities and recommend future strategies to address needs and gaps.
50	Encourage new development within the Airport and Airport Employment Growth District to incorporate District Energy Systems to reduce environmental impacts.
51	Work with Port partners to introduce environmentally sustainable options for cargo movement through container service and increased rail and intermodal operations.
69	Complete Dickenson Road trunk sewer to the Airport Employment Growth District.
70	Complete Dartnall Road extension to Dickenson Road.
72	Execute the West Harbour Re-Development Plan on the City-owned lands transforming the area into a recreational, commercial, and residential waterfront destination.
73	Explore and implement decarbonization initiatives with local industry.
77	Collaborate with Metrolinx, the impacted Business Investment Areas, and the Hamilton Chamber of Commerce on strategies and tactics to mitigate negative impacts of construction and maximizing the economic uplift benefits of the Light Rail Transit investment.

Next Steps

The current Economic Development Action Plan reaches its conclusion at the end of 2025. Following receipt of this Report, staff intend to begin preparations for an in-house production of a 2026-2031 Economic Development Action Plan.

With the 2021-2025 Economic Development Action Plan serving as a transformational strategy for the Economic Development Division, the proposed 2026-2031 strategy will work to consolidate outstanding 2021-2025 Economic Development Action Plan action items with the Council-approved work of multiple sector strategies approved during the life of the 2021-2025 Economic Development Action Plan. This harmonized document

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will leverage synergies across sectors while ensuring alignment to the established Term of Council Priorities.

The creation of this document will be supported by a collaborative engagement process with local businesses, sector experts, community members, and internal City of Hamilton stakeholders. This will ensure that emerging priorities, pressure points, and opportunities are captured within the proposed 2026-2031 Economic Development Action Plan.

Staff anticipate bringing this document to General Issues Committee for approval by the end of the 2025 calendar year. This will be a separate report from the 2024 Update on the 2021-2025 Economic Development Action Plan, which will be delivered in the second or third quarter of 2025.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED24118 – Status Update on all Economic Development Action Plan Action Items

Appendix "A" to Report PED24118

Page 1 of 7

Status Update on all Economic Development Action Plan Action Items**Table 1: Action Item Update – Facilitating a Skilled and Adaptable Workforce**

Facilitating a Skilled and Adaptable Workforce Action Items	Status	Forecast
1. Approve and implement the Hamilton Immigration Partnership Strategy	ACHIEVED - ONGOING	N/A
2. Review the CityLAB Program for the purposes of potential continuation and expansion	ACHIEVED - COMPLETED	N/A
3. Design and deliver an annual Local Economy and Workforce Needs business survey	ACHIEVED - ONGOING	N/A
4. Assign a Workforce Development "lead" within the Economic Development Division	ACHIEVED - COMPLETED	N/A
5. In collaboration with the workforce development community, create and implement a Workforce Attraction, Retention & Development (Talent) Strategy	ACHIEVED - ONGOING	N/A
6. Collaborate with local industry to create an integrated jobs portal	EARLY DEVELOPMENT	Completed by 2025
7. Implement a Future of work series that acts as an experiential conduit between learners/jobseekers and employers to allow local companies to inform future employees of job and career opportunities in Hamilton	INITIATING	Completed by 2025
8. Explore the development of a Talent pipeline program	EARLY DEVELOPMENT	Completed by 2025
9. Implement a Hamilton Collaborative Talent Zone space where industry and local partners focus on teaching and closing any skills gaps in the Hamilton workforce	MID DEVELOPMENT	Add to 2026-2031 Economic Development Action Plan
10. Apply to participate in the Municipal Nominee Program	MID DEVELOPMENT	Add to 2026-2031 Economic Development Action Plan
11. Partner with the workforce and business community to identify employment programs, work development opportunities and initiatives in Hamilton focused on equity-seeking groups, groups disadvantaged by discrimination and marginalized communities in order to recommend future strategies to address existing needs and gaps	EARLY DEVELOPMENT	Not Applicable

Appendix “A” to Report PED24118

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Table 2: Action Item Update – Enhancing Digital Infrastructure & Services

Enhancing Digital Infrastructure & Services Action Items	Status	Forecast
12. Advocate for and promote investment in broadband connectivity speed increase in Hamilton with a target that all rural Hamilton have access to 50/10 Mbps and urban Hamilton average speed be 100/20 Mbps and one Gbps options available to residents and business who need that level of service	LATE DEVELOPMENT	Completed by 2025
13. Complete a City Digital Strategy	ACHIEVED - COMPLETED	N/A
14. Complete a City of Hamilton Broadband Strategy	EARLY DEVELOPMENT	Completed by 2025
15. Develop a Smart/Connected Communications Strategy	EARLY DEVELOPMENT	Completed by 2025
16. Develop and implement expanded Public Internet Access initiatives	ACHIEVED - ONGOING	N/A
17. Develop and implement Digital Divide/Equity Initiatives	ACHIEVED - ONGOING	N/A
18. Expansion of Digital Main Street partnerships to support the growth	ACHIEVED - ONGOING	N/A
19. Develop and implement a Virtual Business Investment and Sales Tour Program	ACHIEVED - ONGOING	N/A
20. Increase the number of services that can be accessed digitally/on-line for citizens and businesses	MID DEVELOPMENT	Completed by 2025

Appendix "A" to Report PED24118

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Table 3: Action Item Update – Growing Business and Investment

Growing Business and Investment - Action Items	Status	Forecast
21. Complete and implement a Tourism Strategy 2021-2025.	LATE DEVELOPMENT	Completed by 2025
22. Identify opportunities to increase "social", "local" and "green" Procurement	EARLY DEVELOPMENT	Add to 2026-2031 Economic Development Action Plan
23. Update the Film Bylaw	MID DEVELOPMENT	Add to 2026-2031 Economic Development Action Plan
24. Create and implement an Economic Development Marketing Strategy	ACHIEVED - COMPLETED	Not Applicable
25. Update and implement the Hamilton Music Strategy	MID DEVELOPMENT	Add to 2026-2031 Economic Development Action Plan
26. Complete a feasibility study on a food business incubator to provide space, training, resources and distribution assets for entrepreneurs to access wholesale or retail markets	ACHIEVED - COMPLETED	Not Applicable
27. Create and implement a Business Succession Planning Program	EARLY DEVELOPMENT	Add to 2026-2031 Economic Development Action Plan
28. Create and implement a Life Sciences Sector Strategy	ACHIEVED - ONGOING	Not Applicable
29. Examine the tourism and business attraction potential of e-Gaming	ACHIEVED - ONGOING	Not Applicable
30. Initiate and implement an updated Advanced Manufacturing Sector Strategy - including Aerospace, Electrical & Autonomous vehicle opportunities	ACHIEVED - COMPLETED	Not Applicable
31. Establish a local Energy Retrofit accelerator providing a one-stop portal for Hamilton businesses and residents to find local retrofit providers, suppliers, and experts	INITIATING	Add to 2026-2031 Economic Development Action Plan
32. Encourage environmental sustainability expansion of the LEED CIP	MID DEVELOPMENT	Completed by 2025

Appendix “A” to Report PED24118

Page 4 of 7

Growing Business and Investment - Action Items	Status	Forecast
33. Study the feasibility of establishing an agriculture, agri-food and rural Community Improvement Plan	INITIATING	Add to 2026-2031 Economic Development Action Plan
34. Update the City of Hamilton's Foreign Direct Investment Strategy	ACHIEVED - COMPLETED	Not Applicable
35. Operationalize the Global Hamilton Council to support Foreign Direct Investment	LATE DEVELOPMENT	Completed by 2025
36. Support and pursue potential funding and partnership opportunities for Hamilton industrial manufacturers to invest in emissions reduction technologies	ACHIEVED - ONGOING	Not Applicable
37. Implement a Soft-landing program for international businesses wanting to establish a presence in Hamilton	ACHIEVED - ONGOING	Not Applicable
38. Identify the existing and scope of business support and initiatives in Hamilton focused on equity-seeking groups, groups disadvantaged by discrimination and marginalized communities and recommend future strategies to address needs and gaps	EARLY DEVELOPMENT	Add to 2026-2031 Economic Development Action Plan

Appendix “A” to Report PED24118

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Table 4: Action Item Update: Moving Goods and People

Moving Goods and People - Action Items	Status	Forecast
39. Develop a comprehensive Curbside Management Strategy	EARLY DEVELOPMENT	Completed by 2025
40. Finalize the Truck Route Master Plan update	ACHIEVED - COMPLETED	N/A
41. Complete feasibility studies for A-line, S-Line and remaining Higher Order Transit (BLAST) corridors	MID DEVELOPMENT	Completed by 2025
42. Expand micro-mobility travel options such as Bike Share and E-scooters	ACHIEVED - ONGOING	N/A
43. Commence development of an Integrated Active Transportation Master Plan including cycling, walking and trails	EARLY DEVELOPMENT	Completed by 2025
44. Continue to investigate the potential for On-Demand Transit Services to provide or supplement regular public transit services to, from and within employment areas and community nodes, using the Flamborough On-Demand Service as a pilot	ACHIEVED - COMPLETED	N/A
45. Design and Launch Smart Commute Hamilton Airport (SCHA) Association. The SCHA would create a program to meet the specialized needs associated with Airport-related employers by helping to coordinate individual employers travel demand management programs	INITIATING	Completed by 2025
46. Update the Goods Movement Sector Strategy	ACHIEVED - ONGOING	N/A
47. Promote and support the Transportation and Connected Vehicle industry with the Centre of Integrated Transportation and Mobility network	MID DEVELOPMENT	Completed by 2025
48. Work with airport partners to attract new international air cargo operators, increase and expand air routes and intensify newer fuel efficient and noise reduction air fleet	ACHIEVED - ONGOING	N/A
49. Engage with transportation associations, MITL and Fluid Intelligence Program to improve goods movement capabilities, technology and improved sustainable alternatives	ACHIEVED - COMPLETED	N/A
50. Encourage new development within the Airport and AEGD to incorporate District Energy Systems to reduce environmental impacts	MID DEVELOPMENT	Add to 2026-2031 EDAP
51. Work with Port partners to introduce environmentally sustainable options for cargo movement through container service and increased rail and intermodal operations	MID DEVELOPMENT	Add to 2026-2031 EDAP

Appendix “A” to Report PED24118

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Table 5: Action Item Update: Revitalizing Priority Areas and Placemaking

Revitalizing Priority Areas and Placemaking - Action Item	Status	Forecast
52. Study the short and mid-term pandemic impacts on the Hamilton office market	ACHIEVED - ONGOING	N/A
53. Complete a study investigating retail trends in various commercial settings across the city	LATE DEVELOPMENT	Completed by 2025
54. Develop and implement a targeted marketing campaign for Hamilton's office market	ACHIEVED - ONGOING	N/A
55. Develop and implement a program to retrofit and modernize underutilized storefront and office spaces (e.g., pop-ups)	ACHIEVED - ONGOING	N/A
56. Explore the feasibility of a small business accelerator centre	MID DEVELOPMENT	Completed by 2025
57. Conduct analysis and consultations regarding the potential implementation of the Small Business property tax subclass	ACHIEVED - COMPLETED	N/A
58. Support and foster placemaking projects (including the delivery and evaluation of the Placemaking Grant Pilot Program and encouragement of pedestrianization and open street initiatives)	ACHIEVED - ONGOING	N/A
59. Transition the operating and capital obligations of the City's Entertainment Assets to Hamilton Urban Precinct Entertainment Group and facilitate the private sector's renovation/redevelopment of the Downtown Entertainment Precinct	ACHIEVED - ONGOING	N/A
60. Re-envision the existing Hamilton LEEDing the Way Community Improvement Plan to better incentivize environmentally sustainable development and investments	MID DEVELOPMENT	Completed by 2025
61. Review and update the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan	ACHIEVED - COMPLETED	N/A
62. Revise incentive programs to support the achievement of climate change targets (i.e., supporting the depaving of parking lots to green space, supporting charging stations)	ACHIEVED - COMPLETED	N/A
63. Update all Commercial Market Assessments for individual Business Improvement Areas	ACHIEVED - COMPLETED	N/A
64. Promote and establish the West Hamilton Innovation District / McMaster Innovation Park as a global leader innovation, commercialization for Life Sciences, Biomanufacturing, and advanced manufacturing	MID DEVELOPMENT	Completed by 2025

Appendix “A” to Report PED24118

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Table 6 Action Item Update: Building Transformational Projects

Building Transformational Projects - Action Item	Status	Forecast
65. Complete feasibility study on how to leverage economic potential of waterfalls and adjacent natural amenities with consideration to environmental and neighbourhood impacts	EARLY DEVELOPMENT	Completed by 2025
66. Create landmarks and enhance prominent public places and facilities across the city through the use of design competitions and integrated art (e.g. Copps Pier)	ACHIEVED - ONGOING	N/A
67. Prepare a strategy to re-develop City-owned assets with the objective of creating shovel-ready projects for the purposes of affordable housing	MID DEVELOPMENT	Completed by 2025
68. Implement the Bayfront Strategy	ACHIEVED - ONGOING	N/A
69. Complete Dickenson Road trunk sewer to the Airport Employment Growth District	MID DEVELOPMENT	Add to 2026-2031 EDAP
70. Complete Dartnall Road extension to Dickenson Road	EARLY DEVELOPMENT	Add to 2026-2031 EDAP
71. Prepare and execute a Master Development Agreement for the City-owned Barton-Tiffany Lands, with the intention of creating a film studio hub	MID DEVELOPMENT	Completed by 2025
72. Execute the West Harbour Re-Development Plan on the City-owned lands transforming the area into a recreational, commercial, and residential waterfront destination	MID DEVELOPMENT	Add to 2026-2031 EDAP
73. Explore and implement decarbonization initiatives with local industry	MID DEVELOPMENT	Add to 2026-2031 EDAP
74. Promote Hamilton's District Energy Systems to major construction projects as a climate change benefit and as a low carbon alternative to traditional energy systems	MID DEVELOPMENT	Completed by 2025
75. Encourage new development within the Airport and AEGD to incorporate District Energy Systems to reduce environmental impacts	MID DEVELOPMENT	Add to 2026-2031 EDAP
76. Support private and public sector efforts to further start-up business development including attracting and supporting expansion of research facilities	MID DEVELOPMENT	Completed by 2025
77. Collaborate with Metrolinx, the impacted BIAs, and the Hamilton Chamber of Commerce on strategies and tactics to mitigate negative impacts of construction, and maximizing the economic uplift benefits of the LRT investment	EARLY DEVELOPMENT	Add to 2026-2031 EDAP



2021-2025 ECONOMIC DEVELOPMENT ACTION PLAN

Scorecard – Action Items

EDAP Priority Area	Action Items Completed as of 2023	In Development in 2023	Awaiting Start in 2023	Total Action Items
Skilled and Adaptable Workforce	5	5	1	11
Enhancing Digital Infrastructure & Services	5	4	0	9
Growing Business and Investment	9	7	2	18
Moving Goods and People	6	6	1	13
Revitalizing Priority Areas and Placemaking	9	4	0	13
Building Transformational Projects	2	11	0	13
All EDAP Actions	36	37	4	77

Select Actions Completed in 2023

- ✓ Completion of a workforce attraction, retention and development strategy
- ✓ Examined the tourism and business attraction potential of e-Gaming
- ✓ Implemented a soft-landing program for international businesses seeking to establish a presence in Hamilton
- ✓ Completed two reports on the short and mid-term pandemic impacts on the Hamilton office market
- ✓ Reviewed and updated the Environmental Remediation and Site Enhancement Community Improvement Plan

Deloitte.



Hamilton's Workforce Strategy:
Harnessing the Ecosystem for Shared Success
September 2023





STRETCH TARGET UPDATES

ST1: Add seven million square feet of new Industrial/Commercial space

2021 Square Footage 1.754M

2022 Square Footage 998K

2023 Square Footage 1.951M

Square Footage to Date:

4,694,971

Status:

On Target

ST2: Generate a total of \$2.5 billion in Industrial/Commercial construction value

2021 Construction Value \$717.2M

2022 Construction Value \$326.1M

2023 Construction Value \$700.0M

Value to date: \$1,743,443,102

Status:
On Target

ST3: Increase new gross Commercial/Industrial assessment by 1.5 % per year

2021 Assessment:	3.2% increase:	\$204M
2022 Assessment:	3.4% increase:	\$284.5M
2023 Assessment	3.5% increase:	\$290.5M

Status:
Achieved: Ongoing

ST4: Triple the municipal tax assessment on the Stelco lands

A recent severance at 386 Wilcox St.
 created two new roll numbers:

386 Wilcox Street
 1055 Industrial Drive

Combined Assessment
 \$43,905,000 (a 3.9% increase on
 2022 assessment)

Status:
Behind Target

ST5: Increase Hamilton’s shovel-ready land supply by 500 acres

Shovel Ready Supply - Acres

Acres Brought Online Between
2020-2023

2020	2022	2023
671.1	676.3	569.6

191.0

Status:
Behind Target

ST6: Increase immigration to Hamilton by 25% by 2025 (2019 IRCC reported immigration admissions for Hamilton as the baseline)

2019	2020	2021	2022	2023
Immigration	Immigration	Immigration	Immigration	Immigration
3,425	2,185	5,405	4,860	5,815



Status: Achieved: Ongoing

ST7: Create and maintain a list of 1,000 living wage employers in Hamilton

741 employers have self-identified as living wage employers through the Annual Employer One Survey.

Data collection, employer vetting, and a joint presentation with the Hamilton Roundtable for Poverty Reduction are scheduled for 2024 and 2025.

Status:
On target

ST8: Achieve an average ground-floor commercial storefront occupancy of 90% across the Business Improvement Areas

2021 Occupancy Avg.	93.2%
2022 Occupancy Avg.	89.1%
2023 Occupancy Avg.	87.0%

Status:
Behind Target



**ST9: Reduce downtown office vacancy rate to pre-pandemic levels
 (2019 benchmark)**

Year	Vacancy Rate
2019	11.9%
2020	12.5%
2021	12.9%
2022	13.3%
2023	14.5%

Status:
Behind Target

ST10: Invest a minimum of \$1 million in tourism development from the MAT program

The board of the Hamilton Tourism Development Corporation met on June 7, 2024, and approved a slate of tourism investments.

Approximately \$1.8 million funding investments for approved tourism project will begin in 2024.



Status:
Achieved: Ongoing

ST11: Attract five major events that generate a total combined economic impact of at least \$50 million

7 major events attracted within the scope of the 2021-2025 EDAP

2021-22 Impact: \$21,000,000

2023 Impact: \$73,500,000

Total Impact: \$106,500,000



Status:

Achieved: Ongoing

ST12: Increase HSR ridership to pre-pandemic ridership levels by 2023

2019 Revenue Generating Rides: 21,659,817

2021 Revenue Generating Rides: 9,972,964
(46% of benchmark)

2022 Revenue Generating Rides: 15,216,234
(70% of benchmark)

2023 Revenue Generating Rides: 19,092,478

Status:

**Achieved (as of Q1
2024): Ongoing**



ST13: Generate \$1 million in direct City revenue from film production activity within Hamilton

2021 Revenue: \$957,408

2022 Revenue: \$721,207

2023 Revenue: \$389,494

Total Revenue: \$2,068,109



Status:

Achieved: Ongoing

Scorecard – Stretch Targets

Stretch Target	2023 Update	Current Status
1. Add seven million square feet of new Industrial/Commercial space	4,694,971 square feet added in 2021-23	On target
2. Generate a total of \$2.5 billion in Industrial/Commercial construction value	\$1,743,443,102 generated in 2021-23	On target
3. Increase new gross commercial/industrial assessment by 1.5 % per year	3.5% increase in assessment in 2023 (\$290.5 million)	Achieved: Ongoing
4. Triple the municipal tax assessment on the Stelco lands	2023 assessment: \$43,905,000	Behind Target
5. Increase Hamilton’s shovel-ready land supply by 500 acres	2020 shovel-ready supply: 671.1 Acres 2022 shovel-ready supply: 676.3 Acres 2023 shovel-ready supply: 569.6 Acres	Behind Target
6. Increase immigration to Hamilton by 25% by 2025 (2019 IRCC reported immigration admissions for Hamilton as the baseline)	A 40.8% average (2020-2023) increase on the immigration 2019 benchmark	Achieved: Ongoing
7. Create and maintain a list of 1,000 living wage employers in Hamilton	741 self-identified living wage employers identified in 2021-22	On target

Scorecard – Stretch Targets

Stretch Target	2023 Update	Current Status
8. Achieve an average ground-floor commercial storefront occupancy of 90% across the Business Improvement Areas	BIA Occupancy: 87.3%	Behind Target
9. Reduce downtown office vacancy rate to pre-pandemic levels (2019 as benchmark)	2023 Vacancy Rate: 14.5% (2.6% above the 2019 rate)	Behind Target
10. Invest a minimum of \$1 million in tourism development from the Municipal Accommodation Tax program	\$1.8 million in tourism-related funding requests were approved by the Hamilton Tourism Development Corporation	Achieved: Ongoing
11. Attract five major events that generate a total combined economic impact of at least \$50 million	7 major events attracted Realized economic impact from events in 2021-23: \$106,500,000	Achieved: Ongoing
12. Increase transit ridership to pre-pandemic ridership levels by 2023	2023 ridership (revenue rides): 19,092,478 – 88.1% of 2019 benchmark	Achieved (as of Q1 2024): Ongoing
13. Generate \$1 million in direct City revenue from film production activity within Hamilton	\$2,068,109 in revenue generated in 2021-22	Achieved: Ongoing

Next Steps

Q2-Q3 2025 – 2024 Annual Economic Development Action Plan
Report to GIC

**Q4 2025 – Presentation of the 2026-2031 Economic
Development Action Plan Draft**

Next Steps







Hamilton

2021-2025 ECONOMIC DEVELOPMENT
ACTION PLAN



CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
 Engineering Services Division
 and
PUBLIC WORKS DEPARTMENT
 Transportation Division
 and
CORPORATE SERVICES DEPARTMENT
 Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	October 2, 2024
SUBJECT/REPORT NO:	Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan (PW24057/FCS24045) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Janelle Trant (905) 546-2424 Ext. 2556 Dipankar Sharma (905) 546-2424 Ext. 3016
SUBMITTED BY: SIGNATURE:	Jackie Kennedy Director, Engineering Services Public Works Department 
SUBMITTED BY: SIGNATURE:	Carolyn Ryall Director, Transportation Division Public Works Department 
SUBMITTED BY: SIGNATURE:	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services Department 

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan (PW24057/FCS24045) (City Wide) - Page 2 of 16

RECOMMENDATION

- (a) That staff be directed to use the categorization for projects within the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget as described in this report and detailed in Appendix "A" attached to Report PW24057/FCS24045, and that the General Manager, Public Works, or their designate, in consultation with the General Manager, Finance and Corporate Services or their designate, be authorized to revise categories as required;
- (b) That staff be directed to align budget and financing plan documents with the Transportation Asset Management Plan, including changing references to the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget to the Transportation Network Budget;
- (c) That the information contained in Report PW24057/FCS24045 be considered when proposed Levels of Service for the Transportation Network are brought forward in accordance with report PW22048 and;
- (d) That the information contained in Report PW24057/FCS24045 including the categories as identified in Appendix "A" attached to Report PW24057/FCS24045, be considered as part of the annual budget process.

EXECUTIVE SUMMARY

At the January 30, 2024 Budget General Issues Committee, the following motion was passed:

That the General Managers of Public Works and Finance & Corporate Services, be directed to report back to the General Issues Committee by the second quarter of 2024 following the:

- (i) examination of the entire capital planning procedure in creating capital program pertaining to the Transportation network, independent of department or division responsible for executing the capital works;
- (ii) examination of the historic Transportation network capital funding levels, adjusted for inflation, compared to the 2024 capital spending, including the multi-year outlook in the 2024 Budget presentation(s);
- (iii) examination of the historical classification or categorization of the capital projects, and recommended strategies, in accordance with current and future known administrative procedures, such as the Corporate Asset Management framework, to maintain the City's Transportation network in "fair to good" condition; and

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SUBJECT: Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan (PW24057/FCS24045) (City Wide) - Page 3 of 16

(iv) development of a methodology and report format for consistent communication of the information as described in above paragraphs (i), (ii), and (iii).

Report PW24057/FCS24045 includes a summary of the deliverables of this review. This review, conducted by staff, included:

- Documentation of the current capital planning procedure.
- Examination of the historical categorization of transportation projects.
- Confirmation of future transportation network asset categories, considering the 2022 Transportation Asset Management Plan.
- Classification of planned investments in the transportation network, including:
 - Projects approved through the Tax Supported Capital Budget (Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget) between 2012 – 2024.
 - Area rating projects between 2012 – 2023 that represent an investment in the transportation network.
 - Capital in-year budget adjustments between 2021 – 2023 that represent an investment in the transportation network (note: data prior to 2021 was unavailable at the time of the preparation of this report).
- Examination of the historic transportation network funding, adjusted for inflation.
- Identification of opportunities for improvement related to the items above.
- Development of a recommended methodology and report format for consistent communication of this information.

The following assumptions and estimations have been made for the purpose of this review:

- It has been assumed that there are no changes to the transportation projects for which funding has been approved.
- Complete data for in-year capital budget adjustments was not available at the time of preparation of this report due to the network outage. The best information that was available was included, however some in-year capital budget adjustments may not have been captured.
- Categorization was based on specific Capital Project Identification Numbers (10-digit Project IDs).
- For projects that impact multiple transportation assets, the planned investment has been assigned to the asset that the majority of the work applies to. To obtain exact amounts, individual Project IDs would need to be manually subdivided and categorized which was beyond the scope of this review. Staff are looking into amending the budget process to better capture asset categories for coordinated projects.
- Actual expenditures were not analyzed as part of this review.

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SUBJECT: Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan (PW24057/FCS24045) (City Wide) - Page 4 of 16

- Annual budgeted amounts from the Operating Budget that represent an investment in the transportation network were not analyzed as part of this review.
- Transit and active transportation projects that are not part of the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget were not included in this review.
- For coordinated projects, budgeted amounts related to subsurface works (e.g., water, wastewater, stormwater) were not included in this review; these are funded through the Rates Supported Capital Budget.

Alternatives for Consideration – See Page 16

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There are no direct financial implications related to the report recommendations. The recommendations will result in changes to the way future financial information is presented.

Staffing: There are no staffing implications related to the report recommendations.

Legal: There are no legal implications related to the report recommendations.

HISTORICAL BACKGROUND

Categorization of planned investments in the transportation network began approximately 10 years ago and evolved as the use of this information grew. Reports that have referenced transportation network categories include the following:

- Historically, there has been a summary table in the staff report that accompanies the annual proposed tax budget and financing plan for the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget (for example, Tables 15 and 16 in the 2024 Tax Supported Budget and Financing Plan (FCS24002))
- Prior to 2022, the annual Tax Capital Budget Book grouped projects by funding source
- Beginning in 2022, the annual Tax Capital Budget Book grouped projects by department and division, rather than by funding source
- The 2022 Transportation Asset Management Plan introduced service areas, asset classes, assets, and asset lifecycle categories related to the transportation network
- Staff have provided summaries of historical investments in the transportation network, when requested, using similar categories to the summary table in the staff report that accompanies the annual proposed tax budget and financing plan

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SUBJECT: Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan (PW24057/FCS24045) (City Wide) - Page 5 of 16

This evolution of transportation network categories resulted in a system of categories that were at times unclear and limited the ability to interpret the information.

In 2024, through the motion “Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan”, the opportunity to clarify definitions and reporting categories in alignment with the 2022 Transportation Asset Management Plan, include inflation adjustments, and strengthen the overall reporting process was identified.

Capital Financing Plan

To fund the City’s annual capital budget, the City’s financing plan includes several revenue sources including reserves, development charges, grants, debt and a dedicated tax levy (Capital Levy). The Capital Levy is allocated across “capital blocks” for municipal programs and services to deliver their annual capital programs.

In allocating the Capital Levy, the City of Hamilton employs a hybrid Capital Block Funding Prioritization methodology, originally approved through Report FCS02017, that has evolved over time, aligning with the City’s Strategic Plan and the Transportation Asset Management Plan.

In past budget cycles, Capital Levy increases have been utilized in an effort to keep up with the rising costs of construction and rehabilitation, as well as, to support debt servicing requirements for priority capital investment. The primary emphasis has been on the rehabilitation of the City’s transportation network, with these programs receiving 4.0% increases to their 2024 annual capital block allotments in order to maintain year-over-year asset replacement value as a result of inflation and to support improvements towards overall asset condition for assets in those categories.

In June of 2022, Council approved the Transportation Asset Management Plan through Report PW22048 which identified an annual funding gap of \$94.7 M for transportation assets (\$86.6 M for the Road Network and \$8.1 M for Engineered Structures). In order to provide for the annual funding required for asset renewal, the annual historical Capital Levy increase of 0.50% was increased to 0.89% beginning in 2024 and continuing annually until 2033. This will effectively increase the Roads / Bridges / Sidewalk / Streetlighting / Traffic block from \$65.9 M in 2023 to \$193.5 M in 2033.

In the City’s approved 2024-2033 Capital Financing Plan, all capital block allocations are increased annually at the rate of inflation (Non-Residential Construction Price Index). This ensures that program areas maintain the same level of investment in capital infrastructure over the planning period and purchasing power is not eroded by

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inflation. Service level targets will be revisited with the presentation of Asset Management Plans by the July 1, 2025, legislated deadline. Future budgets and financing plans will incorporate the service level targets and any subsequent required adjustment to block allocations and funding required for the infrastructure gap and backlog.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not applicable.

RELEVANT CONSULTATION

A cross-departmental project team was established to complete the work to respond to the motion, including representatives from the following divisions:

- Engineering Services (Public Works)
- Financial Planning Administration and Policy (Corporate Services)
- Transportation (Public Works)
- Corporate Asset Management (Public Works)
- Transportation Planning and Parking (Planning and Economic Development)
- Growth Management and Development Engineering (Planning and Economic Development)

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Current Capital Budget Planning Procedure Overview (Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget)

The following section provides a summary of the capital budget planning procedure in creating the capital program for the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget. This annual process is led by the Infrastructure Renewal Section within Engineering Services, following the Budget Guidelines prepared by Corporate Services. This process includes cross-departmental collaboration and coordination between Corporate Services (Financial Planning Administration and Policy Division) Public Works (Engineering Services Division, Transportation Division), and Planning and Economic Development (Growth Management Division, Transportation Planning and Parking Division, LRT Project Office). In addition, there is coordination with Hamilton Water.

At a high level, this process includes calculation of the annual Roads / Bridges / Sidewalk / Streetlighting / Traffic capital block allocation, work at the division level to identify new projects and verify ongoing projects or projects that have been identified in

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the 10-Year Capital Forecast, and finally compilation of the draft capital budget that is subject to comprehensive review by senior management prior to Committee and Council presentations and deliberations.

Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget Divisional Processes

The Engineering Services Division begins the annual budget process by reviewing and validating projects included in the 10-Year Capital Forecast. Each project is reviewed to determine if it has been cancelled, deferred, revised, or if it remains unchanged. Project budget and schedule estimates are reviewed and are adjusted if necessary. Concurrent with this review process, new projects are also identified. New projects such as road rehabilitation or reconstruction may be identified through:

- Priority work to address risk or urgent and critical work
- Condition assessments (regular inspection, structural condition assessments)
- New or updated Master plans
- Project expansion to include coordinated project scope, to leverage efficiency
- Council Motions

New road rehabilitation and reconstruction projects are identified based on Overall Condition Index (OCI) determined from regular pavement inspection. Overall Condition Index is a numerical value between 0 (worst) and 100 (best) which is used to indicate the overall condition of a road segment. Typically, roads with an Overall Condition Index of less than 40 are identified as candidates for reconstruction. To get the best value for money, roads with Overall Condition Index between 40 to 70 are the best suited candidates for rehabilitation. Arterial road and expressway projects are currently prioritized based on Overall Condition Index. For local and collector roads, a priority rating is assigned based on several factors including Overall Condition Index, geographic location (bus route, traffic volume, road safety, etc.). Road strategies are continually being assessed to determine the best value for money for all road classes, and new strategies. For example, through the 2024 budget process, \$2.5 M was approved for 2024, forecasted in 2025 and onwards at \$5 M, for local road rehabilitation state of good repair.

Once a new road project has been identified, screening is completed to determine if there are any subsurface needs within the project limits, such as required watermain replacement. If subsurface work is required within approximately 5-10 years of the proposed road rehabilitation or reconstruction, the road project is scheduled to coincide with the subsurface work.

The Transportation Division annual capital budget planning process involves multiple reviews and iterations to ensure effective allocation of resources and project

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prioritization, through a structured evaluation process inclusive of all business units within the Division. A comprehensive assessment of existing infrastructure asset condition, road conditions, equipment and technology is conducted to identify areas in need of replacement/upgrade, modifications, new infrastructure or maintenance. An additional set of assessment criteria such as road safety, traffic congestion, Council priorities, coordination of works with other divisions and community needs are applied. Collaborative discussions involving key divisional stakeholders finalize the prioritized list of projects, ensuring alignment with City of Hamilton's Strategic Plan, Council Priorities, safety and available funding. This approach ensures that capital investments are targeted towards the most pressing needs, ultimately enhancing mobility, safety, and overall quality of life for City of Hamilton's residents.

The Transportation Planning Section is responsible for the preparation of city-wide and sub-area transportation plans which take into account the City's medium to long term growth needs and overall strategic directions through the Transportation Master Plan (TMP). These plans identify any network and system deficiencies that require further investigation through study and/or capital improvements. Long-range plans and studies are monitored and re-evaluated every 5-10 years or as needed as a result of municipal/Provincial or Federal policy changes, innovation, growth and other influences or a combination thereof. For example, large-scale developments that may expedite the need for improvements and/or coordination with other planned capital works. Timing of improvements are typically influenced by resolving immediate system and network deficiencies, opportunities through the integration of planned capital works, as well as the ability to leverage higher-level government funding. Through the Integrated Active Transportation Delivery Team, Transportation Planning also provides focused recommendations on pedestrian and cycling priorities for consideration as part of the annual and multi-year capital budget process.

Growth Management's capital planning process focus is on growth-related infrastructure to support new development areas and includes projects expected to be constructed by the City or the private sector where there is a required City contribution to the cost. The growth program for roads is regularly reviewed and adjusted accordingly against the 10-Year Capital Forecast to facilitate orderly development and ensure developable lands can be serviced in a timely manner. Inputs to the process include private sector feedback on the timing of infrastructure to support developments garnered through the Staging of Development program which informs expected timing of individual developments and the projects needed to support them. Staff also use input from: Economic Development Division to identify key projects intended to increase the amount of Shovel-Ready land, various Master Plans, and the Development Charges (DC) Background Study, to build and maintain the 10-year Growth Program.

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Roads / Bridges / Sidewalk / Street Lighting / Traffic Draft Capital Planning Review and Prioritization

Once each division has identified new projects, and verified ongoing projects and projects that have been identified in the 10-Year Capital Forecast, a first draft budget is prepared by Engineering Services. The first draft budget has historically identified funding that exceeds the block allocation. The first draft budget is reviewed through working group meetings including divisional leadership. As part of this review, several factors are reviewed including affordability (first draft budget funding requirements compared to the capital block allocation), resource constraints, and capital budget prioritization, and the draft budget is amended accordingly.

A capital budget prioritization tool was implemented in 2023 as part of annual budget process. This tool is used to prioritize projects within the Roads / Bridges / Sidewalk / Street Lighting / Traffic program. Certain projects are automatically included in the budget submission, such as projects related to emergency work. Remaining projects are prioritized based on several considerations including current asset condition, coordination with subsurface work, transit routes, complete streets, road safety, growth, geographic location, and strategic priorities. This tool is currently being revised for the 2025 budget process. Once finalized, the final draft proposed budget is presented to the General Manager of Public Works, and submitted to Finance and then the Senior Leadership Team for review.

Categorization of Capital Projects Related to the Transportation Network Analysis

Categorization of planned investments in the transportation network began approximately 10 years ago and evolved over time, including the addition of new reporting categories. This evolution of transportation network categories resulted in a system of categories that were at times unclear and limited the ability to interpret the information. For example, certain categories were defining different attributes. To analyze historical investments in the transportation network, the need to review and refine transportation network categories was identified.

Staff began the analysis by examining transportation network categories that were used in previous reports and analyses. Through this review it was determined that the 2022 Transportation Asset Management Plan would be used as the basis for reporting categories going forward. The 2022 Transportation Asset Management Plan describes two types of categories: asset category, and asset lifecycle stages (acquisition, operations, maintenance, disposal, renewal). This analysis focuses on asset category. Future reviews may incorporate asset lifecycle.

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Staff reviewed asset categories identified in the 2022 Transportation Asset Management Plan, and identified opportunities to either consolidate categories, or add categories where gaps existed. Appendix “A” to Report PW24057/FCS24045 includes the updated list of transportation network assets and associated definitions that was determined through this review. These categories are hierarchical which enables summaries at the service area, asset class, and asset level. For example, this new methodology will enable summaries using the following categories: Road Pavement, Active Transportation, Traffic Network Traffic Safety, Administration, Engineered Structures, Operating Activities to Support the Transportation Network, Operating Activities to Support the Transportation Network – Escarpment, and Operating Activities to Support the Transportation Network - Staffing. While these categories reflect information available as of the preparation of this report, there may be future changes to these categories. For example, a new asset may be added to the City’s inventory in the future which may require a new category to be added. Through approval of Recommendation (a) to Report PW24057/FCS24045 these changes would be delegated to the General Manager of Public Works in consultation with the General Manager, Finance and Corporate Services or their designates.

The updated asset categories were used to evaluate the historical transportation network funding levels and will be applied in the 2025 budget process.

Historical Transportation Network Funding Levels

To determine historical transportation network funding levels for the purpose of this review, three sources of planned investments were considered:

- Planned investments approved through the Tax Capital Budget (Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget)
- Area Rating projects approved outside of the annual budget process that represent an investment into the transportation network
- In-year capital budget adjustments that represent an investment into the transportation network. In-year budget adjustments may include funding received from other levels of government during the year, such as the \$30 million Canada Community-Building Fund funding for sidewalk and road repairs (minor maintenance) received in 2021. In-year budget adjustments also include additional funding requests for projects with revised budget estimates (e.g., Report FCS22067 Increase in Capital Project Expenses).

Annual budgeted amounts from the Tax Operating Budget that represent an investment in the transportation network were not included in this analysis. For instance, the 2023 Operating Budget allocated approximately \$18 million for transportation-related programs, which were excluded from this analysis. These programs include concrete

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sidewalk repairs, in-house asphalt pavement repairs, shouldering programs, and the setting and re-setting of catch basins.

To evaluate historical transportation network funding levels, each project budgeted for through the Roads / Bridges / Sidewalk / Street Lighting / Traffic capital program between 2012 – 2024 was reviewed, and the applicable asset category was selected. In total, over 2,000 entries were reviewed and re-categorized. Categorization was based on specific Capital Project Identification Numbers (10-digit Project IDs) because typical construction contracts may include more than one Project ID. For example, a bridge replacement project may include a Project ID for the bridge and associated works, and a separate Project ID for subsurface rate-related work. For projects that impact multiple assets, such as a road reconstruction, the budget was assigned to the asset that the majority of the work applies to.

Projects funded from area rating which represented an investment in the transportation network were identified and categorized, as were capital in-year budget adjustments representing an investment in the transportation network. Generally, in-year budget adjustments may include, but are not limited to, funding received from other levels of government that is not part of the annual budget process, as well as funding that is requested to address revised budget estimates during the year which may come from sources such as reserves.

Gross amounts, rather than net, were used for this analysis because it represents the total planned investment into the transportation network from all sources. In addition to net funding (tax levy, debt, Canada Community-Building Fund, and other reserves), gross amounts include funding from sources such as grants, subsidies, revenue, Community Benefit Charges, Development Charges, rate funding, reserves, capital projects with surplus funding, and projects that have been cancelled or closed.

Planned investments for the 12-year period were inflated to 2024 dollars. Table 1 summarizes the price index that was applied for this analysis.

TABLE 1
Non-Residential Building Construction Price Index

(%)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Non-residential Building Construction Price Index	2.3	0.3	1.4	1.8	2.9	3.2	4.6	3.9	2.6	9.5	16.2	5.5	5.3*
*forecast													

Figure 1 shows the planned investment in the transportation network approved through the annual Tax Supported Capital Budget (Roads / Bridges / Sidewalk / Street Lighting /

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Traffic Budget). This is reported in gross amounts, inflated to 2024 dollars. Figure 1B in Appendix “B” to report PW24057/FCS24045 shows this data organized by asset category. Prior to 2020, Engineering Services staffing was included as part of individual road and bridge project budgets. Beginning in 2020, staffing was separated into separate Project IDs specifically for staffing. For this reason, the Operating Activities to Support the Transportation Network – Staffing category begins in 2020. Annual planned investment into the Transportation Network from the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget has averaged \$142.7 M over the past thirteen years (inflated to 2024 dollars).

FIGURE 1
Planned Investment in the Transportation Network Approved through Tax Supported Capital Budget (Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget) (Gross, inflated to 2024 Dollars)

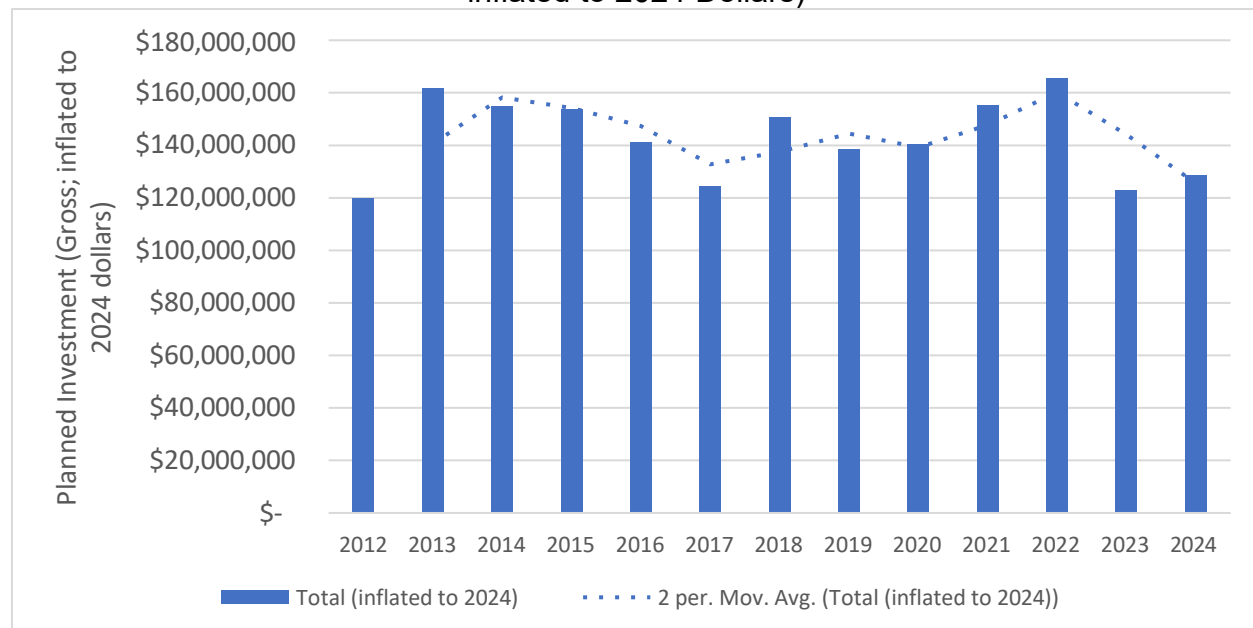


Figure 2 shows the planned investment in the transportation network approved through the Area Rating Special Capital Re-investment Fund and is reported in gross amounts, inflated to 2024 dollars. Of note, in 2014, area rating planned investments were higher than average. This was related to several planned investments into rehabilitation and urbanization projects. Figure 2B in Appendix “B” to Report PW24057/FCS24045 shows this data organized by asset category.

The Area Rating Special Capital Re-investment Fund Policy, approved through Report FCS12024, outlines the mandate and guidelines for use of the ward specific Area Rating Special Capital Re-investment Reserves. This fund was established to help

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offset the infrastructure deficit in the former City of Hamilton, which generally contains the oldest infrastructure within the municipality. Annually, the fund generates a combined \$13.4 M. As illustrated in Figure 2, annual investment into the Transportation Network from the Area Rating Special Capital Re-investment Fund has averaged \$4.5 M over the past twelve years (inflated to 2024 dollars). The combined uncommitted balance of the Area Rating Special Capital Re-investment Fund is \$32.3 M as of May 31, 2024.

FIGURE 2
Planned Investment in the Transportation Network Approved through Area Rating
(Gross, inflated to 2024 dollars)

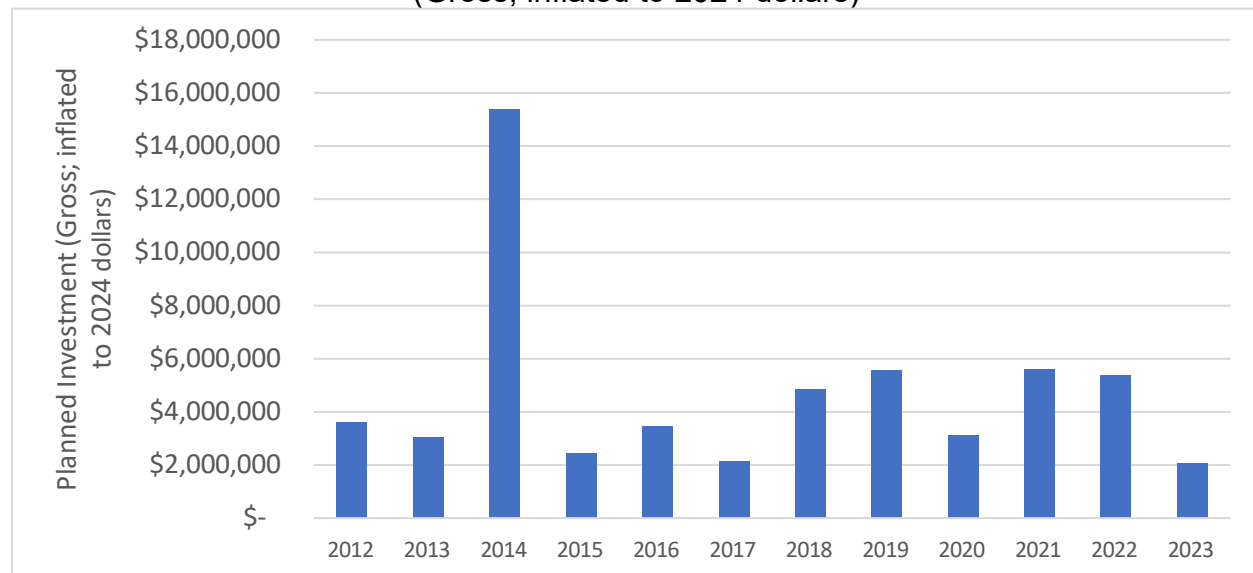


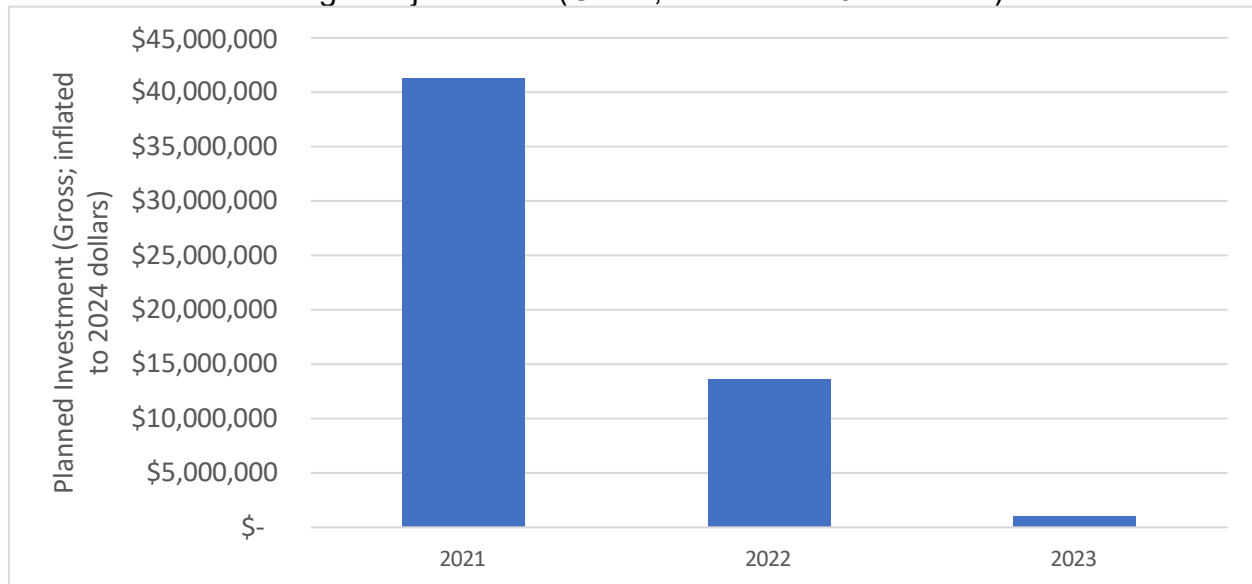
Figure 3 shows the planned investment in the transportation network approved through Capital In-Year Budget Adjustments and is reported in gross amounts, inflated to 2024 dollars. Capital in-year budget adjustments include funding that is added to the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget from sources including reserves and other levels of government during the year. Note that complete data for all in-year capital adjustments was not available at the time of preparation of this report due to the network outage, including data prior to 2021. The best information that was available was included, however some in-year budget adjustments may not have been captured. In 2021 a one-time top-up of just over \$30 million of Canada Community-Building Fund funding was received for sidewalk and road repairs (minor maintenance). In 2022, several transportation-related capital projects received additional funding mid-year through report FCS22067 due to the economy and correlated supply and demand issues. Another example of a major capital in-year budget adjustment was in 2018, when \$19 M was received for city-wide road priorities and neighbourhood road

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priorities. Figure 3B in Appendix “B” to Report PW24057/FCS24045 shows the data organized by asset type.

FIGURE 3

Planned Investment in the Transportation Network Approved through Capital In-Year Budget Adjustments (Gross, inflated to 2024 dollars)



The 2024 Budget included a transitional plan to address the \$94.7 M annual funding gap for transportation assets that was identified in the Transportation Asset Management Plan over the next 10 years. The forecast Capital Financing Plan for 2025 – 2033 is shown in Table 2.

TABLE 2
Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget
Capital Financing Plan

CAPITAL FINANCING PLAN (Net) (\$000's)	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Roads / Bridges / Sidewalk / Street Lighting / Traffic	89,811	102,092	114,176	126,569	139,279	152,315	165,684	179,395	193,458

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Levels of Service for the Transportation Network

As part of the 2022 Transportation Asset Management Plan, the current Levels of Service for elements within the transportation network were documented. Levels of Service are measures for what the City provides to customers, residents, and visitors. Levels of Service are best described as the link between providing the outcomes the community desires, and the way that the City provides those services. Levels of Service are defined in three ways, customer values, customer levels of service and technical levels of service. Current technical targets are included in Tables 21 and 42 of the 2022 Transportation Asset Management Plan. The current technical targets used to prepare the Financial Outlook to 2033 are based on the 2022 Transportation Asset Management Plan. It is anticipated that proposed Level of Service will be brought forward in accordance with Report PW22048.

Findings and Recommendations

Through this analysis and review, a proposed new methodology for future reporting has been developed and is recommended. It is recommended that staff use the categorization identified in Appendix "A" attached to Report PW24057/FCS24045 for future classification of projects within the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget.

When future budget submissions are prepared the applicable asset will be selected for each project. A summary table using these categories will be included in the staff report that accompanies the annual proposed tax budget and financing plan providing a three-year Capital forecast for the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget.

It is recommended that an additional information be included as part of the budget materials showing all projects within the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget to supplement the project breakdown by division. It is also recommended that future budget documents align with the future Transportation Asset Management Plan, including changing references to the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget to the Transportation Network Budget.

It was determined that by selecting only a single asset for each project or Project ID, certain project elements may be underestimated or overestimated in terms of dollar amount of planned investment. Staff are looking into amending the budget process to better capture asset categories for coordinated projects.

Overall, the total annual planned investment in the transportation network between 2012 - 2024 has been underfunded according to the Transportation Asset Management Plan.

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Year-to-year variation in the total gross planned investment, as well as variation between the different asset categories, depends on several factors such as external funding, differences between planned growth and actual growth and Development Charges.

The transitional plan to increase the Roads / Bridges / Sidewalk / Streetlighting / Traffic block from \$65.9 M in 2023 to \$193.5 M in 2033 to address the \$94.7 M annual funding gap is a critical step towards improving the transportation network. Additionally, continuing to leverage the Area Rating Special Capital Re-investment Fund remains important in assisting to help work through the infrastructure backlog and annual funding shortfall. Staff will work towards amending the budget planning process for the transportation network to more effectively utilize these funds in the development of the financing plan.

It is further recommended that the information contained in this report be considered as part of future reviews of proposed Levels of Service for the transportation network, and the ongoing budget process review.

Future analyses could include benchmarking against other municipalities, incorporating asset lifecycle, and considering other methods for better separating individual elements for coordinated projects.

ALTERNATIVES FOR CONSIDERATION

Should the recommendations in this report not be approved, staff could continue to use historic reporting categories. This option would not address the motion.

Financial: N/A

Staffing: N/A

Legal: N/A

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PW24057/FCS24045 - Reporting Categories and Definitions

Appendix "B" to Report PW24057/FCS24045 - Planned Investment in the Transportation Network – By Asset

Service Area	Asset Class	Asset	Proposed Definition for “Reporting of Annual Expenditures”
Road Linear	Road Pavement	Urban - Expressway	There are two parkways within the City of Hamilton – the Lincoln Alexander Parkway and the Red Hill Valley Parkway. The primary function of a parkway shall be to carry relatively high volumes of intra municipal and inter-regional traffic through the City (Urban Hamilton Official Plan - Volume 1 - Chapter C - City Wide Systems and Designations).
		Urban - Arterial Major	The primary function of a major arterial road shall be to carry relatively high volumes of intra-municipal and inter-regional traffic through the City in association with other types of roads (Urban Hamilton Official Plan - Volume 1 - Chapter C - City Wide Systems and Designations).
		Urban - Arterial Minor	The primary function of a minor arterial road shall be to carry moderate volumes of intra-municipal and inter-regional traffic through the City in association with other types of roads (Urban Hamilton Official Plan - Volume 1 - Chapter C - City Wide Systems and Designations).
		Urban - Collector	The function of a collector road shall be equally shared between providing direct land accesses and the movement of moderate volumes of traffic within and through designated Employment or Neighbourhood Areas (Urban Hamilton Official Plan - Volume 1 - Chapter C - City Wide Systems and Designations).
		Urban - Local	The primary function of a local road shall be to provide direct land accesses. The secondary function shall be to enable the movement of low volumes of traffic to collector roads (Urban Hamilton Official Plan - Volume 1 - Chapter C - City Wide Systems and Designations).

Service Area	Asset Class	Asset	Proposed Definition for "Reporting of Annual Expenditures"
		Urban - Assumed Alleyways	Alleyway that is maintained. Includes Class A, B, C, or E (assumed) alleyways per the Alleyway Classification System (Appendix "A" to Report PW17008(a))
		Urban - Ramp or Interchange with Provincial Highway	Includes property, sidewalks, signage, pavement markings, roundabouts, paving specifically related to ramps or interchanges with provincial highways (e.g., Highway 403, Highway 6, Queen Elizabeth Way).
		Rural - Arterial	The primary function of an arterial road in the rural area is to carry relatively high volumes of intra-municipal and inter-regional traffic through the rural area in association with other types of roads (Rural Hamilton Official Plan - Volume 1 - Chapter C - City Wide Systems and Designations).
		Rural - Collector	The function of a collector road in the rural area is equally shared between carrying moderate volumes of intra- municipal and interregional traffic through the rural area and providing direct land access (Rural Hamilton Official Plan - Volume 1 - Chapter C - City Wide Systems and Designations).
		Rural - Local	The primary function of a local road in the rural area is providing direct property access, while the secondary function is to move low volumes of traffic to collector roads (Rural Hamilton Official Plan - Volume 1 - Chapter C - City Wide Systems and Designations).
		Rural - Unpaved	Unpaved (gravel) rural roads. Includes Rural Arterial, Rural Collector, and Rural Local roads.

Service Area	Asset Class	Asset	Proposed Definition for "Reporting of Annual Expenditures"
	Active Transportation	ROW Bicycle Lanes (Protected & Unprotected; excl. Cycle Tracks)	<p>A portion of a roadway which has been designated by pavement markings and signage for the exclusive use of cyclists.</p> <p>Separated: facilities that are physically separated from vehicular traffic while remaining within the road ROW:</p> <ul style="list-style-type: none"> • Mini-Jersey Barrier Bicycle Lane • Poured Concrete Barrier Bicycle Lane • Pre-cast Concrete Curb Bicycle Lane • Parking Barrier Bicycle Lane <p>Dedicated: facilities that are within the roadway and have a delineation between bicycle lanes and vehicular traffic, creating a dedicated space within the roadway.</p> <ul style="list-style-type: none"> • Painted Buffer Bicycle Lane • Painted Bicycle Lane • Painted Bicycle Lane with Planter <p>Shared: facilities that are shared with vehicular traffic within the roadway while alerting drivers that the road is a shared cycling route</p> <ul style="list-style-type: none"> • Bicycle Boulevard • Signed Bike Route

Service Area	Asset Class	Asset	Proposed Definition for “Reporting of Annual Expenditures”
		ROW Cycle Tracks	A physically separated bikeway that is horizontally and vertically separated from the travelled portion of the roadway by a curb and buffer. Cycle tracks are designated exclusively for use by people riding bikes, and often travel parallel to a sidewalk (OTM Book 18 – Table 4.1).
		Sidewalks	A travelled way intended exclusively for pedestrian use, following an alignment generally parallel to that of the adjacent roadway.
		ROW Multi-Use Pathways	A shared pedestrian, cycling and micro-mobility facility that is physically separated from motor vehicle traffic by a hard-surfaced splash pad or by a grass strip. It is often referred to as part of a boulevard within the roadway or highway right-of-way.
		Bicycle Parking	The use of space within the roadway or highway right-of-way for the parking of bicycles.
		Bicycle Share Infrastructure	The bikes themselves, the hubs which are comprised of racks, baseplates and signs, and the equipment used to balance all of the bikes at the hubs.
	Traffic Network	Signalized Intersections & Mid-block Crossings	Any power-operated traffic control device, whether manually, electrically or mechanically operated, by which traffic is alternately directed to stop and permitted to proceed.
		Traffic Signs (Regulatory & Warning)	A traffic control device mounted on a fixed or portable support which conveys a specific message by means of symbols or words, and is officially erected for the purpose of regulating, warning, or guiding traffic.

Service Area	Asset Class	Asset	Proposed Definition for “Reporting of Annual Expenditures”
		Pedestrian Crossovers (PXO's & IPSs)	Any portion of a roadway, designated by municipal by-law, at an intersection or elsewhere, distinctly indicated for pedestrian crossing by signs on the highway and lines or other markings on the surface of the roadway as prescribed by the Ontario Highway Traffic Act, RSO 1990, cH8.
		Streetlighting	Street lighting generally refers to lighting of streets including sidewalks, crosswalks, intersections, rail crossings, roundabouts, and Multi-use Pathways. The main purpose of street lighting is to enhance visibility at night.
		Traffic Medians	A raised island, wall or structure located on the centreline of a roadway through an intersection or along a road that prevents left turns or straight through movements from being made to and from a side street or private/commercial driveway. Can also provide safety of pedestrians, either as median islands on a wide street where the width may not permit pedestrians to cross the street on a single pedestrian signal indication, or as a loading island for transit, such as streetcars.
		Pavement Markings (Durable & Waterborne)	A coloured marking applied to pavement to provide drivers with roadway alignment information.
	Traffic Safety	Infrastructure Safety Measures	Methods and measures used to enhance the safety of road users such as speed cushions, flexible bollards and other similar appurtenances.

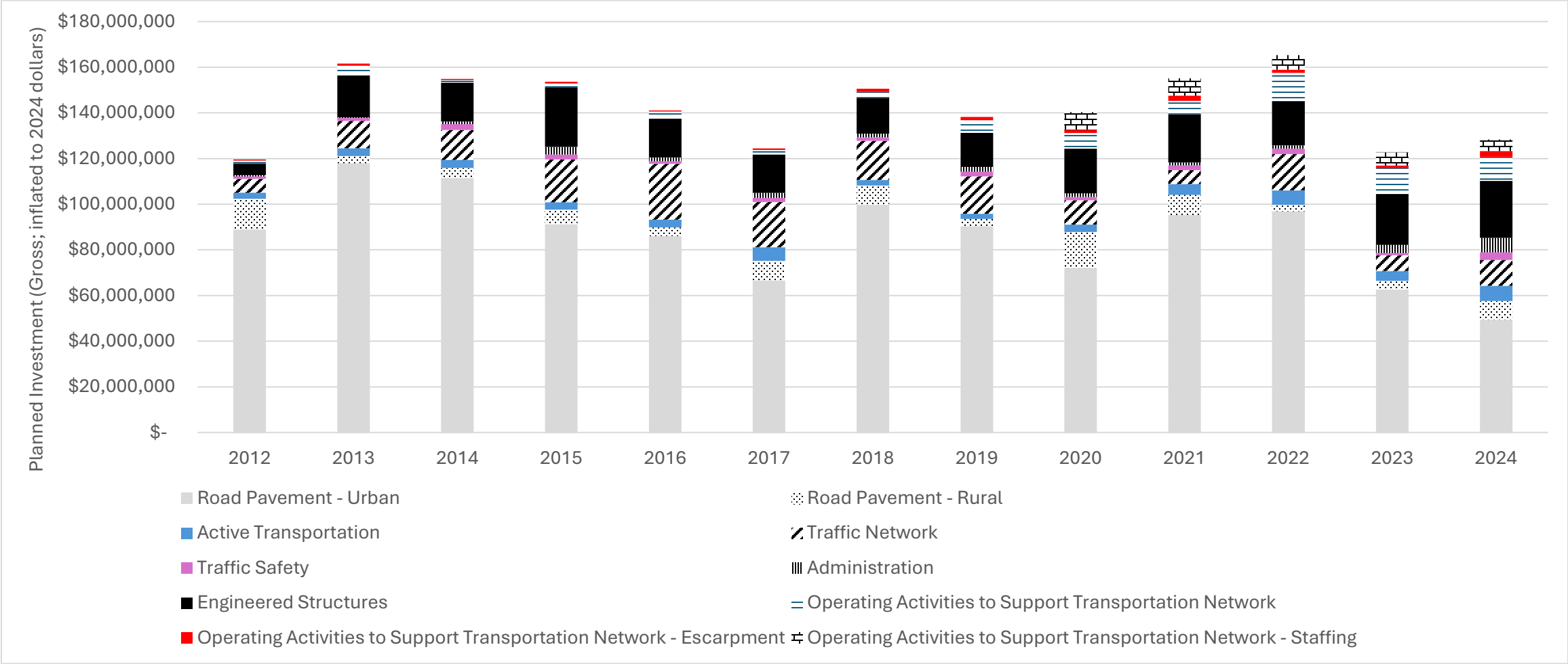
Service Area	Asset Class	Asset	Proposed Definition for “Reporting of Annual Expenditures”
		Transit Stops (Bus Pads & Associated Signage)	Transit stops advertise where transit services exist, indicate to users where to wait to access the service; and designate where transit operator should stop the vehicle. Their associated infrastructure exists to provide accessibility and comfort to the transit user.
		Noise Walls & Fencing	<p>Noise wall: wall, berm, wall/berm combination or similar structure, used as a noise control measure, and high enough to break the line-of-sight between the source and the receptor (also referred to as acoustic barrier, sound barrier or noise fence).</p> <p>Fence: barrier, railing or upright structure typically of wood or chain-link used to mark a boundary by enclosing a section of land.</p> <p>Non-noise fences, such as privacy fences, often have gaps and are only constructed to block lines of sight, whereas noise fences (acoustic barriers) are constructed with a minimum surface density of 20 kg per meter squared as per Ministry of the Environment standard to be effective at attenuating sound.</p>
		Guide Rails & Crash Attenuators	A fence or barrier to guide and help restrain vehicles from leaving the roadway.
		Escarpment Safety Mesh	Steel mesh attached at the slope crest with a longitudinal cable fixed by means of a suitable number of ground anchors to contain any rock fall hazard that may endanger any infrastructure at the bottom of these slopes (also referred to as rockfall drapery mesh).

Service Area	Asset Class	Asset	Proposed Definition for “Reporting of Annual Expenditures”
	Administration	Yards	Properties, including lands, buildings and administrative offices, that are primarily used for the delivery of Public Works services and operations including maintenance, repairs, storage of equipment, vehicles and other goods.
		Vehicles	As defined by Ontario Highway Traffic Act, RSO 1990, cH8 a vehicle is a motor vehicle, trailer, traction engine, farm tractor, road-building machine, bicycle and any vehicle drawn, propelled or driven by any kind of power, including muscular power, but does not include a motorized snow vehicle or a street car.
Engineered Structures		Bridges & Culverts > 3 m	<p>Bridge: Structures which provide a roadway or walkway for the passage of vehicles, pedestrians or cyclists across an obstruction, gap or facility and are greater than or equal to 3 metres in span (Ministry of Transportation, 2008).</p> <p>Culvert: Structures that provide an opening through soil typically as a channel/tunnel for water (e.g. stream, drainage) underneath a road or railway.</p> <p>Major Culvert: Culverts that have a span of 3 metres or larger</p> <p>(Corporate Asset Management Plan Overview (2022))</p>
		Culverts < 3 m	<p>Culvert: Structures that provide an opening through soil typically as a channel/tunnel for water (e.g. stream, drainage) underneath a road or railway.</p> <p>Minor Culvert: Culverts that span less than 3 metres.</p> <p>(Corporate Asset Management Plan Overview (2022))</p>

Service Area	Asset Class	Asset	Proposed Definition for “Reporting of Annual Expenditures”
		Retaining Walls	Structures that hold back fill and are not connected to a bridge (Corporate Asset Management Plan Overview (2022)).
		Escarpment Steel Walls	Steel bin walls and steel facing walls.
		Overhead Sign Support Structures (OSSS)	Structures which support static signs (sign boards) or variable message sign systems (Corporate Asset Management Plan Overview (2022)).
Operating Activities to Support the Transportation Network			<p>Projects/activities that are not specific to capital or maintenance projects, and usually apply to the entire City. For example:</p> <ul style="list-style-type: none"> • City-wide studies – Transportation Master Plan, Complete Streets, Vision Zero, Roadway Classification Study • City-wide count programs: Active Transportation Count program, Transportation Tomorrow Survey, Cordon Count Program • City-wide modeling – Transportation Master Plan modeling • Bicycle Route Improvement Program - maps, advertising, consultation • Sustainable Mobility • Education Campaigns
Operating Activities to Support the Transportation Network – Escarpment			Projects/activities that support the City’s 17 traffic corridor Escarpment crossings, that are not specific to either Escarpment Safety Mesh or Escarpment Steel Walls. This may include maintenance activities such as rock scaling, debris removal, drainage, studies that include multiple crossings, etc.

Service Area	Asset Class	Asset	Proposed Definition for "Reporting of Annual Expenditures"
Operating Activities to Support the Transportation Network – Staffing			Staffing that impacts the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget.

FIGURE 1B
Planned Investment in the Transportation Network
Approved through Tax Supported Capital Budget (Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget) - by Asset*
(Gross, inflated to 2024 Dollars)



*Note: Prior to 2020, Engineering Services staffing was included as part of individual road and bridge project budgets. Beginning in 2020, staffing was separated into separate Project IDs specifically for staffing. For this reason, the Operating Activities to Support the Transportation Network – Staffing category begins in 2020.

FIGURE 2B
Planned Investment in the Transportation Network
Approved through Area Rating – by Asset
(Gross, inflated to 2024 dollars)

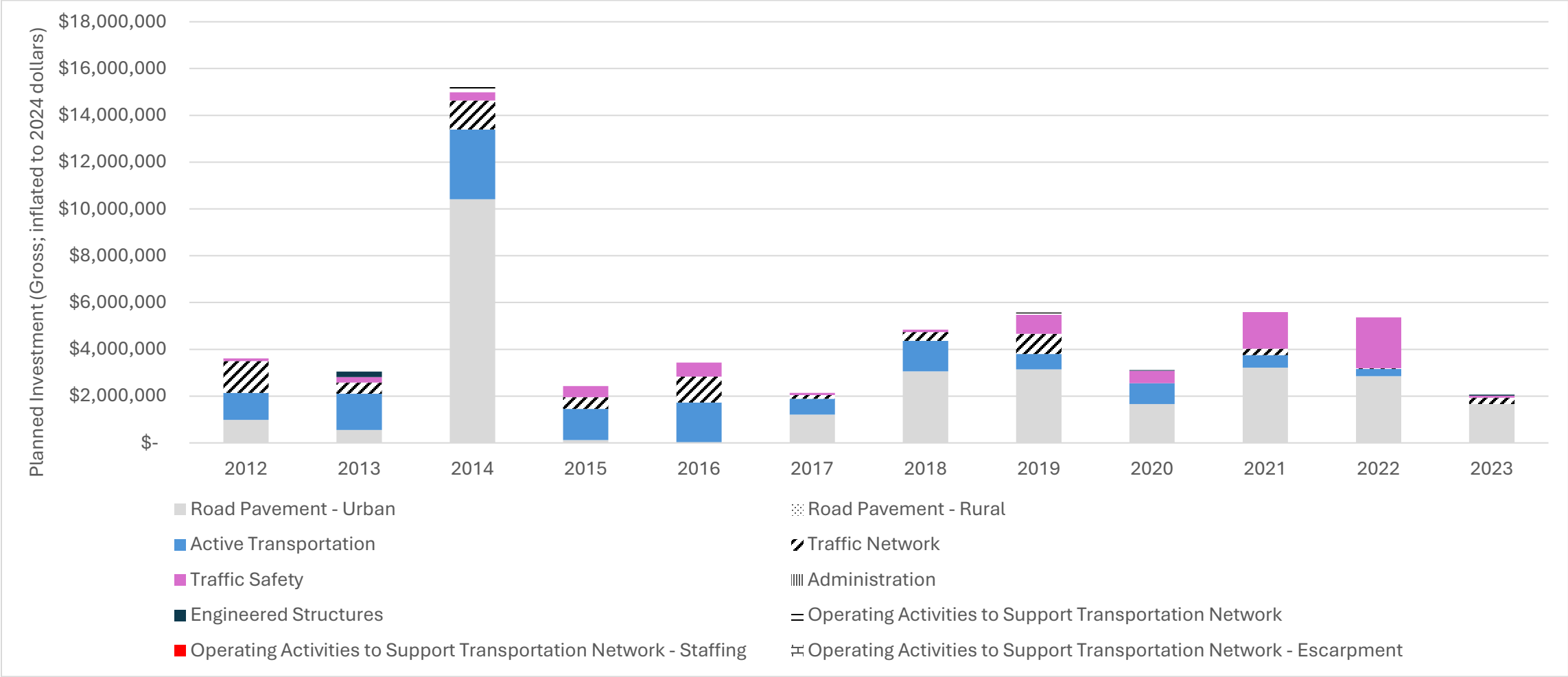
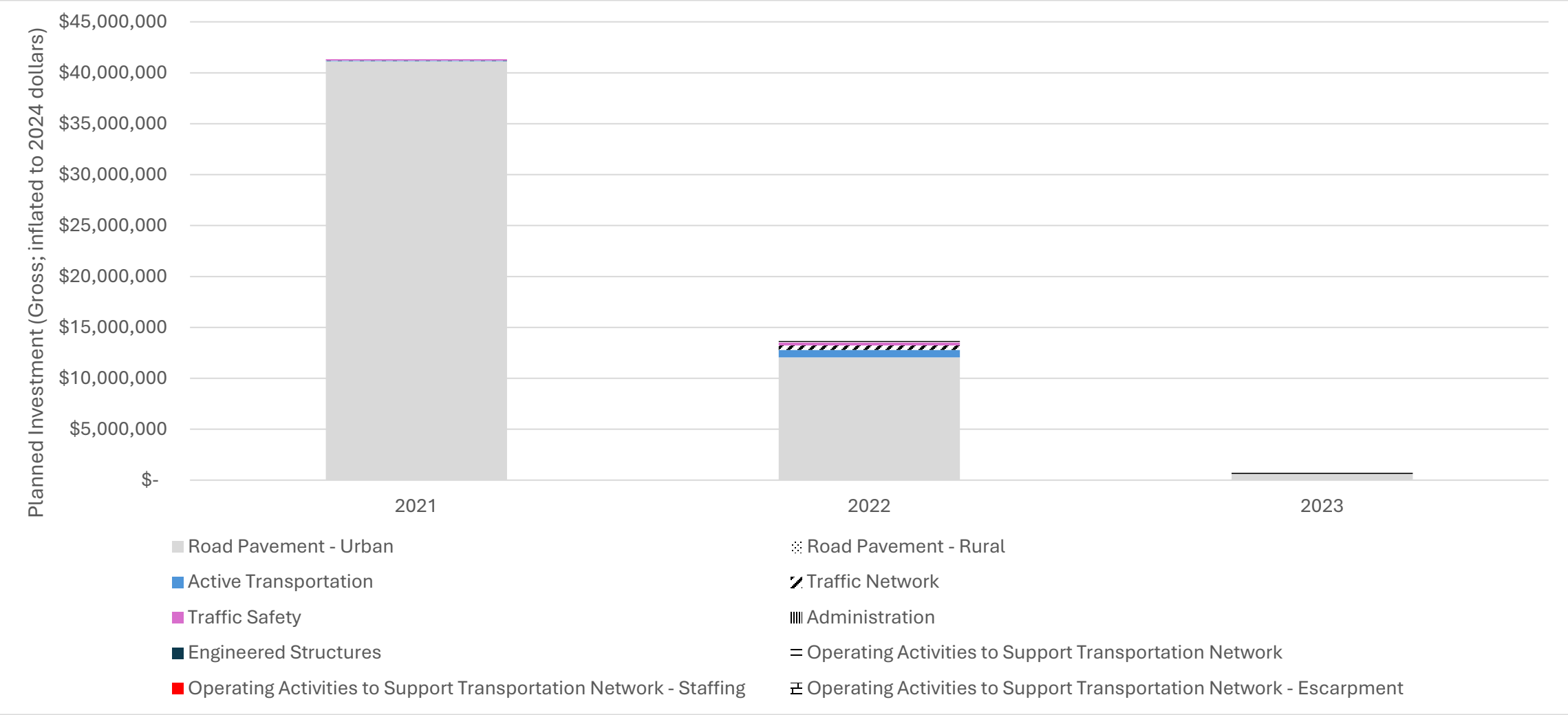


FIGURE 3B
Planned Investment in the Transportation Network
Approved through Capital In-Year Budget Adjustments – by Asset
(Gross, inflated to 2024 dollars)





Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan

**General Issues Committee
October 2, 2024**

Agenda

- Overview of Motion and Report
- Background: Funding Gap and Capital Financing Plan
- Review Methodology
- Key Findings from the Review
- Recommendations
- Future Recommendations and Next Steps
- Questions

Overview of Motion and Report

- i. examination of the entire capital planning procedure in creating capital program pertaining to the Transportation network, independent of department or division responsible for executing the capital works;
- ii. examination of the historic Transportations network capital funding levels, adjusted for inflation, compared to the 2024 capital spending, including the multi-year outlook in the 2024 Budget presentation(s);
- iii. examination of the historical classification or categorization of the capital projects, and recommended strategies, in accordance with current and future known administrative procedures, such as the Corporate Asset Management framework, to maintain the City's Transportation network in "fair to good" condition; and
- iv. development of a methodology and report format for consistent communication of the information as described in above paragraphs (i), (ii) and (iii)

Background: Funding Gap and Capital Financing Plan

In June of 2022, Council approved the Transportation Asset Management Plan (Report PW22048) which identified an annual funding gap of \$94.7 M for transportation assets.

To provide for the annual funding required for asset renewal, the annual historical Capital Levy increase of 0.50% (~\$5M) was increased to 0.89% (~\$9.5M) beginning in 2024 and is planned to continue through to 2033 (see table below).

CAPITAL FINANCING PLAN (Net) (\$000's)	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast	2033 Forecast
Roads / Bridges / Sidewalk / Street Lighting / Traffic	89,811	102,092	114,176	126,569	139,279	152,315	165,684	179,395	193,458

Review Methodology

1. Documentation of current capital planning procedure.
2. Examination of the historical categorization of transportation projects. Confirmation of future categories.
3. Classification of historic planned investments in the transportation network, and examination of the historic transportation network funding, adjusted for inflation.
4. Development of a recommended methodology and report format for consistent communication of this information.

Key Findings from the Review: Proposed Categorization

Road Pavement – Urban	Expressway	Local
	Arterial Major	Assumed Alleyways
	Arterial Minor	Ramp or Interchange with Provincial Highway
	Collector	
Road Pavement – Rural	Arterial	Local
	Collector	Unpaved
Active Transportation	ROW Bicycle Lanes (Protected & Unprotected; excl. Cycle Tracks)	ROW Multi-Use Pathways
	ROW Cycle Tracks	Bicycle Parking
	Sidewalks	Bicycle Share Infrastructure
Traffic Network	Signalized Intersections & Mid-block Crossings	Streetlighting
	Traffic Signs (Regulatory & Warning)	Traffic Medians
	Pedestrian Crossovers (PXO's & IPSs)	Pavement Markings (Durable & Waterborne)
Traffic Safety	Infrastructure Safety Measures (speed cushions, flexible bollards, etc.)	Guide Rails & Crash Attenuators
	Transit Stops (Bus Pads & Associated Signage)	Escarpment Safety Mesh
	Noise Walls & Fencing	
Administration	Vehicles	Yards
Engineered Structures	Bridges & Culverts > 3 m	Overhead Sign Support Structures (OSSS)
	Culverts < 3 m	Retaining Walls
	Escarpment Steel Walls	
Operating Activities to Support the Transportation Network		
Operating Activities to Support the Transportation Network – Escarpment		
Operating Activities to Support the Transportation Network – Staffing		

Review Methodology: Historical Funding Levels

Sources of planned investments:

- Projects approved through the Tax Supported Capital Budget
(Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget)
- Area rating projects that represent an investment in the transportation network
- Capital in-year budget adjustments that represent an investment in the transportation network

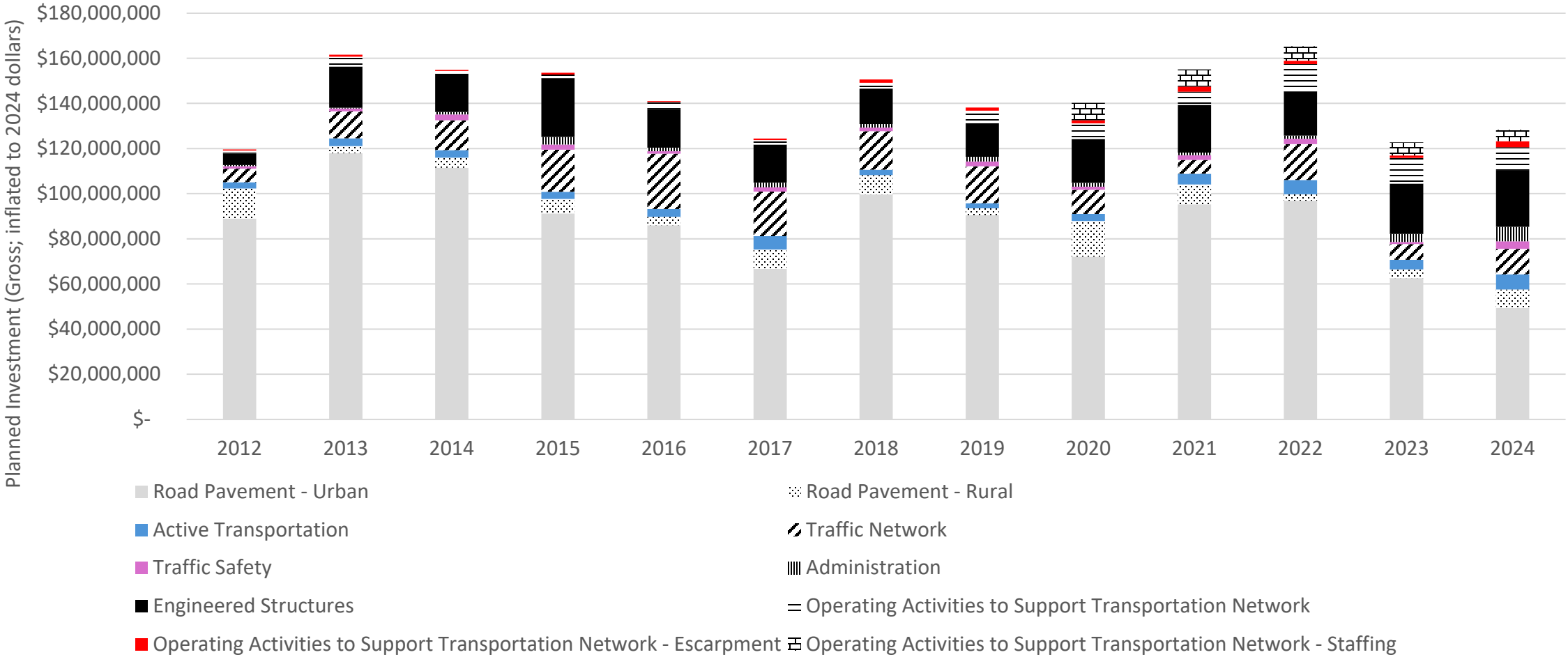
In total, **2,000** entries were reviewed and re-categorized.

Planned investments were inflated to 2024 dollars using the Non-Residential Building Construction Price Index.

Non-Residential Building Construction Price Index													
(%)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Non-residential Building Construction Price Index	2.3	0.3	1.4	1.8	2.9	3.2	4.6	3.9	2.6	9.5	16.2	5.5	5.3* forecast

Key Findings from the Review: Historic Funding Levels

Planned Investment in the Transportation Network
Approved through Tax Supported Capital Budget (Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget) - by Asset
(Gross, inflated to 2024 Dollars)



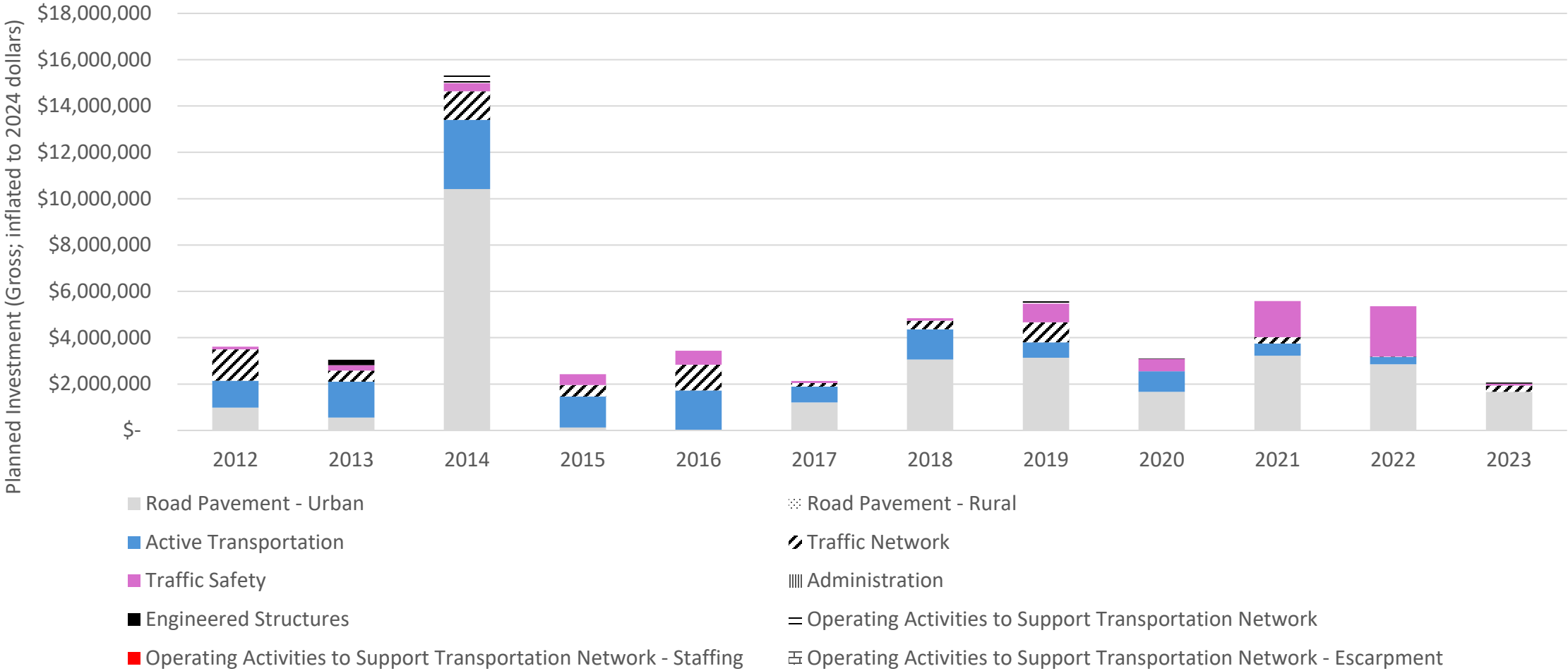
Key Findings from the Review: Historic Funding Levels

Planned Investment in the Transportation Network Approved through Tax Supported Capital Budget

- Historical investments (2012-2023) have been adjusted for inflation in the comparator data to represent “\$2024”
- The City increased gross investment in the Transportation network steadily each year since 2012
- The extraordinary inflation in 2022-2023 eroded purchasing power and much of the progress gained in addressing the infrastructure gap
- In response to the inflationary pressures faced by the City, City Council augmented the 2022 capital budget with one-time additional funding (detailed in a later slide)

Key Findings from the Review: Historic Funding Levels

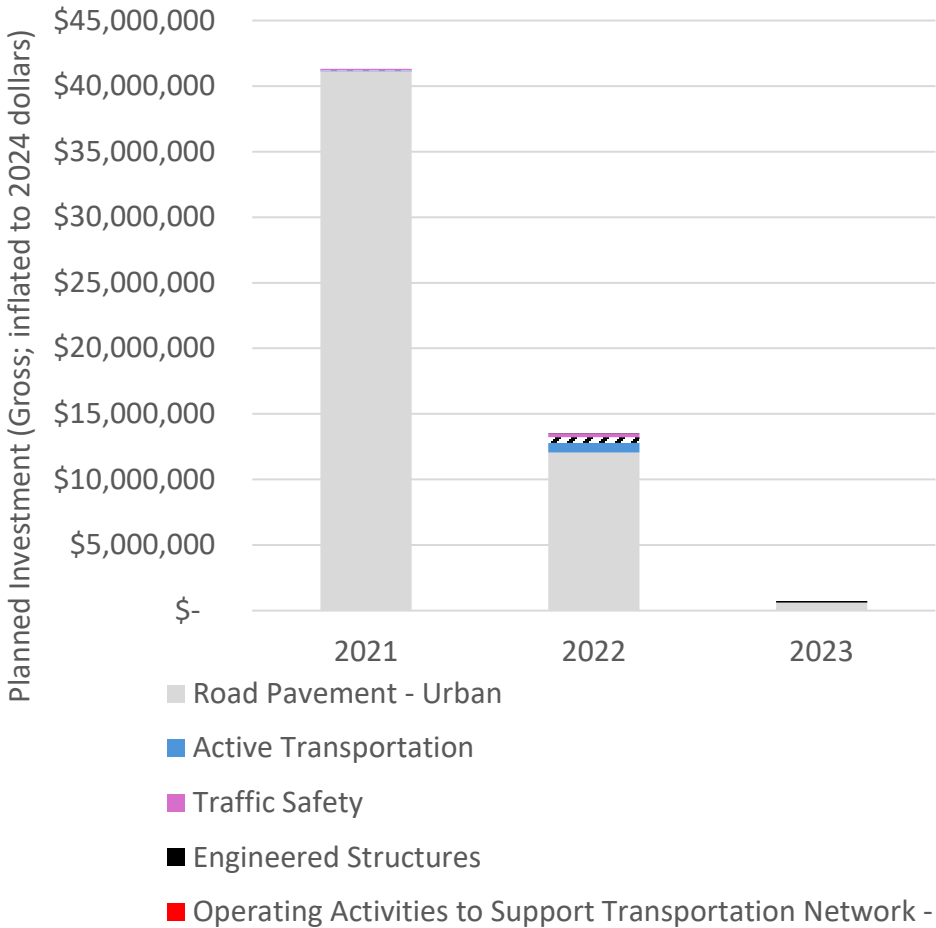
Planned Investment in the Transportation Network
Approved through Area Rating – by Asset
(Gross, inflated to 2024 dollars)



Key Findings from the Review: Historic Funding Levels

Planned Investment in the Transportation Network

Approved through Capital In-Year Budget Adjustments – by Asset
(Gross, inflated to 2024 dollars)



2021 – Primarily one-time Canada Community-Building Fund funding

2022 – Primarily related to Report FCS22067 Increase in Capital Project Expenses

Key Findings from the Review

Capital Planning Procedure

No specific findings; process documented in report

Project Categorization

- Transportation network categories evolved over time
- Challenges in categorizing projects affecting multiple assets
- Opportunities to incorporate asset lifecycle into future analyses

Historic Funding Levels

- Underfunding of the transportation network
- Transitional plan to increase the Roads / Bridges / Sidewalk / Streetlighting / Traffic block to \$193.5 M in 2033 is a critical step
- Continuing to leverage the Area Rating Special Capital Re-investment Fund remains important

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Recommendations

- (a) That staff be directed to **use the categorization for projects within the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget as described in this report and detailed in Appendix “A”** attached to Report PW24054/FCS24045, and that the General Manager, Public Works, or their designate, in consultation with the General Manager, Finance and Corporate Services or their designate, be authorized to revise categories as required;
- (b) **That staff be directed to align budget and financing plan documents with the Transportation Asset Management Plan**, including changing references to the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget to the Transportation Network Budget;
- (c) That the information contained in Report PW24054/FCS24045 **be considered when proposed Levels of Service for the Transportation Network are brought forward in accordance with report PW22048** and;
- (d) That the information contained in Report PW24054/FCS24045 including the categories as identified in Appendix “A” attached to Report PW24054/FCS24045, **be considered as part of the annual budget process.**

Future Recommendations and Next Steps

- Better categorization of projects that affect multiple assets
- Consideration of asset lifecycle in future categorization and/or analyses
- Leveraging the Area Rating Special Capital Re-investment Fund
- Consideration of benchmarking with other municipalities in future analyses
- Improve how we apply equity to the transportation network budgets and projects

Many Thanks to the Team

Public Works

- Engineering Services – Jackie Kennedy and Team
- Transportation – Carolyn Ryall and Team
- Corporate Asset Management – Andrea Vargas and Team

Corporate Services

- Financial Planning Administration and Policy – Kirk Weaver and Team

Planning and Economic Development

- Growth Management and Development Engineering – Ashraf Hanna and Team
- Transportation Planning and Parking – Brian Hollingworth and Team



Hamilton

THANK YOU