



Hamilton

CITY OF HAMILTON

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO: Chair and Members General Issues Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: June 19, 2013	
SUBJECT/REPORT NO: 2012 Annual Performance Measures (PED13121) (City Wide)	
SUBMITTED BY: Tim McCabe General Manager Planning and Economic Development Department	PREPARED BY: Neil Everson (905) 546-2424 Ext. 2359 Sue Rimac (905) 546-2424 Ext. 1011
SIGNATURE:	

RECOMMENDATION:

That Report PED13121 respecting Planning and Economic Development Performance Measures for 2012 be received.

EXECUTIVE SUMMARY

Council's approval of the Economic Development Governance Report (PED07306) on January 7, 2008 significantly increased both the budget and the staff complement of the City's Planning and Economic Development Department. The budget enhancements were applied to four Divisions within the Planning and Economic Development Department, these being: the General Manager's Office; Economic Development and Real Estate; Downtown and Community Renewal; and Planning. Additionally, there were a number of allocations of funding to specific economic development initiatives and the establishment of a new Economic Development Investment Fund.

The approval of this budget enhancement also included direction to staff to develop a number of performance measures and benchmarks for the Department as identified in Report PED08303. In that report and pursuant to Council direction, 2007 was established as the base year and staff was directed to report back to Committee of the

Whole every six months. These performance measures were deemed necessary in order to track the effectiveness of the new programs and staff resources, and to justify the resulting levy impact with measured value for the taxpayers' dollar.

This Report presents the 2012 performance measures at the Divisional, Department and Corporate levels. In an effort to reduce the amount of staff resources allocated to compilation of this data, staff aligned these measures as closely as possible to the Focus Areas and Specific Measurable Attainable Realistic Timely (SMART) Performance Measures identified in City Council's 2008 Strategic Plan as approved by Council on June 10, 2008.

Alternatives for Consideration – Not Applicable

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: N/A

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND (Chronology of events)

The City of Hamilton's entire Planning and Economic Development Department delivers both "programs" and "services" aimed at growing the local economy. "Programs" refer to specific activities involving the administration, delivery and marketing of economic development-related financial incentives (i.e. Enterprise Zone, Brownfields Environmental Remediation and Site Enhancement (ERASE), Downtown Residential Loan, Commercial Property Improvement Grant, etc.) offered by the municipality. These programs are relatively easy to quantify in terms of effectiveness and establishing performance targets.

"Services", on the other hand, are less tangible and more difficult to measure because they are generally demand based and subject to many uncontrollable variables (i.e. economic recession, exchange rates, interest rates, energy prices, changes of government, etc.). Regardless, all of the "services" like business attraction, retention and expansion, business facilitation, planning approvals, and marketing are critical to creating a positive business environment for the City and there is value in assigning performance measures.

At the January 7, 2008 Committee of the Whole, City Council approved Report PED07306: **Economic Development: MOVING FORWARD Governance Review, Organizational Change, Engagement with Community and Enhanced Investment Funding** that included two specific recommendations regarding performance measures:

“g) That the Economic Development and Real Estate Division’s Annual Work Plan include benchmarks and performance measures with identified targets of what is intended to be achieved each year and how activities have demonstrated support of Council’s strategic priorities.

h) That the Economic Development and Real Estate Division prepare quarterly Progress Reports on achievement of targets and identified performance measures.”

On September 25, 2008, a draft of the proposed Performance Measures was presented to the City’s new Economic Development Advisory Committee. They provided three significant recommendations:

- 1) Reduce the number of Performance Measures to be more realistic and attainable;
- 2) Extend the target dates for the performance measurements beyond annual targets to three years or longer; and,
- 3) Extend the timelines for reporting on performance to Council.

The Advisory Committee felt that a “quarterly” report was too frequent and that there would be insufficient time for programs, initiatives, and a “new” pro-economic development environment to materialize in order to show achievement of these results. Consequently, in Report PED08303 Recommendation (b) was approved by Council that amended Report PED07306 Recommendation (g) to provide semi-annual reporting of the Performance Measures.

At the December 8, 2008 Committee of the Whole meeting, Report PED08303 provided specific detail on Performance Measures which were approved at the December 10, 2008 Council meeting. At that meeting, Report PED08303 was received with the following amendments:

“4. Economic Development Performance Measures and Update on 2008 Initiatives and Budget Enhancements (PED08303) (Item 7.4)

(a) That the performance measures, benchmarks and identified targets outlined in Report PED08229 be adopted with the following amendments:

(i) Under the City of Hamilton Section

*Add to first bullet point of Taxable Assessment Growth:
(Commercial/Industrial growth rate #'s)*

(b) That the General Manager of Planning and Economic Development report semi-annually, instead of quarterly, on the achievement of these targets as a general indicator of economic performance.

(c) That staff bench mark from 2007 with the first report to be presented to the Economic Development and Planning Committee by the end of June, 2009.”

After the second Report was presented in 2009, Council agreed to have the Economic Development Performance Measures and Update occur on an annual basis because of the fact that the majority of the data/statistics for the performance measures were only available on a yearly basis. As a result, there was virtually no difference in the statistics between the mid-year and annual reports and further, many of the Performance Measures could only be calculated on the basis of Census data which is released only every five years. Therefore, an annual report on Performance Measures was deemed acceptable by Council.

POLICY IMPLICATIONS

N/A

RELEVANT CONSULTATION

- Economic Development Division (Business Development, Urban Renewal, Real Estate);
- Strategic Services and Special Projects Division; and,
- Corporate Services Department.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

2012 Performance Measures

The performance measures and targets are presented for the 2012 calendar year, and include comparison with 2011, 2010, 2009, 2008 and the established 2007 base year. Of these proposed Performance Measures listed below, approximately 83% (19 of 23) are identical to the SMART measures approved by City Council on June 10, 2008 as part of the Corporate Strategic Plan. The results for 2012 are presented in the following tables:

City of Hamilton

- **Taxable assessment growth to exceed 1.5% by 2011**

Year	Total \$ Million	Res	Com/Ind	Inst/Gov't	Assess Growth
2007	\$801.7	49%	24%	26%	0.8%
2008	\$818.4	50%	25%	25%	1.0%
2009	\$692.4	41%	47%	12%	1.3%
2010	\$1,096.3	54%	28%	17%	1.3%
2011	\$731.1	59%	22%	19%	1.1%
2012	\$1,499.6	44%	27%	27%	0.8%

- **Meet established growth targets for 2011 of 540,000 people and 230,000 for GRIDS and Places to Grow**
 - *Population reached 519,949* (Census 2011 population figure)
- **Increase the number of community-redevelopment projects and economic development-related initiatives**
 - *In progress, ongoing.* (i.e. Pan Am Games; McMaster Family Health Clinic; St. Joseph's Mental Health centre; Economic Development (ED) Strategy implementation, Marketing Strategy implementation, Social Media)
- **Increase the employment rate by 3% by the next Census**
 - *In progress, data for census to be released 2012/2013*

Planning and Economic Development

- Triple amount of shovel ready lands by 2011 to 850 acres

2007 Shovel Ready 285 acres

2008 Shovel Ready 285 acres

2009 Shovel Ready 250 acres

- excludes 35 acres sold in Ancaster Industrial Park Phase 5
- ongoing work regarding servicing and land assembly in North Glanbrook Business Park (now the Red Hill Business Park) and Stoney Creek

2010 Shovel Ready 335 acres (majority in Red Hill Business Park)

2011 Shovel Ready 405 acres (majority in Red Hill Business Park)

- **Increase value of non-residential building permits by 5% by 2011**

Total Dollar Value				
2008	2009	2010	2011	2012
403,031,887	410,232,504	505,402,639	298,732,683	839,745,228

- **Annual Customer Satisfaction Survey - 90% Approval Rating**
 - Economic Development Rating by Clients on a scale of 1 to 7, with 7 being the best rating.

	Percentage as a Whole				
Grade	2008	2009	2010	2011	2012
1	0	0	0	0	0
2	1	1	0	0	0
3	3	0	0	1	0
4	4	4	8	1	1
5	28	34	18	15	9
6	43	49	49	61	35
7	21	12	25	22	54

(N.B. 2012 Economic Development and Real Estate Division = 98% Approval Rating)

- Rural Official Plan**
 The Rural Hamilton Official Plan was approved March 2011 and, in accordance with the Ontario Municipal Board's (OMB) order, is posted on the City's website www.hamilton.ca/newruralop.
- Urban Hamilton Official Plan (UHOP) by June 2009**
 The Urban Official Plan was approved by Council on June 29, 2009. Ministry of Municipal Affairs and Housing approved the OP on March 16, 2011. There were numerous appeals which staff is in the process of resolving the appeals.
- Comprehensive Zoning By-law**
 Zoning for new Employment zones, across the entire City, was completed in May 2010. With the approval of the Rural Official Plan, the rural zoning is proceeding and is anticipated to be completed by Q1 2014. The commercial/mixed use and residential zones are awaiting final approval of the Urban OP.
- Prepare Detailed Secondary Plans for New Employment Areas**
 Hamilton City Council amended the Official Plans for the former Region of Hamilton-Wentworth, the Town of Ancaster, the Township of Glanbrook, the new Rural and Urban Official Plans (awaiting Ministerial Approval) and passed a Zoning By-law to implement the Secondary Plan for the Airport Employment Growth District on October 13, 2011. To meet Hamilton's employment land needs to 2031, the urban boundary was proposed to be expanded by 830 gross ha (662 net ha). At full build out, there will be a positive impact on the City's property tax base of nearly \$66 M. These planning approvals have been appealed and are presently before the OMB. A hearing was conducted in February 2013, and awaiting decision from the Hearing Officer.

The new UHOP references a need for a special study/secondary plan for the Bayfront Industrial Area. This work is planned for 2013/2014. At this time, there are no plans to undertake secondary plans for any other employment area.

- Celebration of Successes - Annual Report to Community**
 Economic Development completed the “2009 Annual Report” in Spring 2010, the “2010 Annual Report” in Spring 2011, with the “2011 Annual Report” released in March 2012. The year 2012 saw the introduction of the City of Hamilton Annual Review, released in May 2013.
- Increase the Number of Positive Media Reporting**
 This indicator was discontinued as an accurate number could not be calculated without implementing a very expensive tracking system or expending a great deal of staff resource and time.

Economic Development Division

- Increase number of Brownfields – Number of Council Approved Applications**

2007	2008	2009	2010	2011	2012
2	3	2	2	3	3

- Increase number of new businesses by 5% per year**

Total Number of Businesses					
2007	2008	2009	2010	2011	2012
26,763*	27,689	27,489	27,836	27,310	27,946

* Represents Base Year Number

- Increase number of small business jobs by 50 per year**

2007	2008	2009	2010	2011	2012
810	464*	725	692	940	446

*Ministry has different tracking system which was implemented in 2012, therefore numbers may be lower than actual jobs created.

Ontario Government terminals removed

- Increase impact of film by \$1 M per year**

2007	2008	2009	2010	2011	2012
\$12,000,000	\$6,625,000	\$6,075,000	\$4,523,500	\$4,900,000	\$6,074,980

- Increase total Gross Farm Receipts by Commodity types by 2% per year**

\$ Million					
2007	2008	2009	2010	2011	2012
231.4*	264.9	248.0	260.0	Not Available	Not Available

**Represents Base Year Number*

- Increase number of Corporate Calls by 10% per year

Number of Calls				
2008	2009	2010	2011	2012*
253	354	400	314	104

*Decrease due to shortage of staff and previous years' number of Corporate Calls increased workload for existing staff.

- Completion of multi-year Economic Development Strategy by December 2009
 - Completed and approved by City Council on June 18, 2010
 - Short Term Deliverables achieved 56%
 - Long Term Deliverables achieved 39%

Urban Renewal Division

- Decrease office vacancy rate by 25% in Downtown Core by 2011, using 2008 baseline

2007	2008	2009	2010	2011	2012
Unknown	20%	15%	13.2%	12.07%	12.8%

- Urban Renewal Division is developing and implementing Downtown Office Strategy
 - Completed
- Increase the number of residential units in Downtown by 150 per year starting in 2009

2007	2008	2009	2010	2011	2012
12	17	2	0	13 (+127 Staybridge)	42 (+182 Hilton Homewood Suites)

- Complete two significant Waterfront developments per year starting in 2009

2007	2008	2009	2010	2011
0	0	0	1 (Outdoor Ice Rink)	0

- **Increase in Downtown property taxes by \$1.45 M (per year) based on a 2008 baseline**

Downtown Municipal Taxes				
2008	2009	2010	2011	2012
\$25,086,600	\$25,730,600	\$26,531,800	\$26,923,300	\$26,947,946

Assessment Difference
+\$391,500

Downtown Assessment Figures				
2008	2009	2010	2011	2012
\$957,200,600	\$1,020,696,800	\$1,086,876,700	\$1,163,012,745	\$1,555,181,600

Increase in Assessment
\$12,659,000

- * *please refer to Assessment Growth as a Performance Measure in next section*
- ** *please refer to Job Creation as a Performance Measure in next section*
- *** *please refer to Business Retention as a Performance Measure in next section*

ALTERNATIVES FOR CONSIDERATION:

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Not Applicable.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.1 Continue to grow the non-residential tax base.
- 1.3 Promote economic opportunities with a focus on Hamilton's downtown core, all downtown areas and waterfronts.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.2 Improve the City's approach to engaging and informing citizens and stakeholders.

APPENDICES / SCHEDULES

N/A

NE/SR:dkm