



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division
Planning Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	June 18, 2014
SUBJECT/REPORT NO:	Bayfront Strategy – Transfer of Funds - (PED14117) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Jason Thorne General Manager Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That the budget for the Bayfront Industrial Secondary Plan capital project be increased from \$132,000 to \$360,000, and that the additional funding required in the amount of \$228,000, be appropriated from the Economic Development Initiatives capital project (3621308900).
- (b) That staff be directed to retain Deloitte to complete the market opportunities component of the Bayfront Strategy as an extension of their work on the advanced manufacturing sector.

EXECUTIVE SUMMARY

Through the Urban Hamilton Official Plan (UHOP), City Council proposed a Bayfront Strategy, which will explore opportunities to strengthen employment activities in the Bayfront area, and to capitalize on the area’s strategic location. Council previously approved a capital budget in 2011 for the Bayfront Industrial Secondary Plan (Project # 8141155104), in the amount of \$132,000, with \$122,575 unspent as of April 30, 2014.

The original work plan, which was based on the completion of a Secondary Plan for the area, has been expanded in scope to include a market opportunities review and brownfields strategy, including a update of the Bayfront portion of the historic land use inventory. Therefore, additional funds are required in the amount of \$228,000, which will be transferred from the Economic Development Initiatives capital project (3621308900). With the addition of these funds to the funds available in the Bayfront

Industrial Secondary Plan Capital Account, \$350,000 would be available to complete the Bayfront Strategy.

Alternatives for Consideration – See Page 6

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The Economic Development Initiatives capital project was approved through the 2013 Tax Capital Budget, with a budget of \$2,000,000. The purpose of the funding was to “accelerate projects that create a diversified, sustainable economic base for the City of Hamilton.” The current available balance in the project is \$1,745,000. Should recommendation (a) to Report PED14117 be approved, \$1,517,000 will remain for future Economic Development Initiatives.

The transfer of funds to the Bayfront Industrial Secondary Plan capital project would increase the budget from \$132,000 to \$360,000, and increase the available funds in the project to \$350,000. This amount will be sufficient funding to complete the expanded Bayfront Industrial Secondary Plan scope, including the market opportunities review and the brownfield strategy.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

As part of the UHOP, a policy was included that required the preparation of a Secondary Plan or land use strategy to investigate permitted uses, urban design, and an implementation strategy for the Bayfront area. The Bayfront area represents opportunities and challenges for the City, and is currently home to many industries employing approximately 16,135 people (City of Hamilton Employment Survey, 2012). In 2011, Council approved a Capital Budget for the Bayfront Industrial Secondary Plan (Project #8141155104) in the amount of \$132,000, with \$122,575 currently remaining in the account.

Background work on the project began, but due to limited staff resources and turnover, the project was put on hold. In 2013, the background was a re-initiated, however over time, the scope of the project expanded from the preparation of the Secondary Plan to include a market opportunities review and a brownfields strategy, to permit a more comprehensive review of the Bayfront.

With respect to the market opportunities component of the study, Economic Development staff completed a review of Hamilton’s advanced manufacturing sector in February of this year. The report (PED14006) looked at Advanced Manufacturing

trends across the City. It provides a solid understanding of the sector and provides a starting point for focusing in on the Bayfront area.

In addition, Economic Development staff provided an update on the City's Efforts on Brownfields (PED14067) to General Issues Committee on April 16, 2014. The report and presentation clarified that the Bayfront Strategy will be taking a closer look at brownfield remediation in industrial areas, and will include an update of the historic land use inventory as it relates to the Bayfront area.

To fund this additional work, \$228,000 will be transferred from the Economic Development Initiatives capital account. The purpose of the fund is to "accelerate projects that create a diversified, sustainable economic base for the City of Hamilton". The additional work required on the Bayfront Strategy is directly related to the purpose of this account, therefore, the transfer of the funds is considered appropriate.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Direction from the UHOP on the Bayfront, Policy E.5.3.9 (Volume 1), states:

"The City shall undertake the preparation of a Secondary Plan or land use strategy for lands, or portions thereof, in the Bayfront Industrial Area to establish the limits of a research and development business park, the permitted uses, urban design policies, implementation strategy and any other transportation or infrastructure related requirements."

With respect to Brownfields Sites, the UHOP Policy B.3.1.5 (Volume 1) states:

"There are many complex and interconnected reasons for promoting and implementing brownfield redevelopment. There are significant and immediate economic, environmental and social benefits from regenerating these "legacy" properties. The City, in addition to other economic development objectives, shall pursue the redevelopment of brownfield sites and promote opportunities for employment and residential intensification by:

- a) continuing to liaise with other levels of government, agencies, and the private sector to endorse and amend existing legislation, regulations and standards, including the addressing of liability issues for land owners;*
- b) undertaking studies to identify priority brownfield sites for redevelopment;*
- c) providing the necessary financial assistance to developers and landowners to make the redevelopment of brownfield sites a viable option; and,*

- d) *ensure a wide variety of investment opportunities are available throughout the City and provide potential employment users with a range of alternative sites of various size in a variety of locations throughout the City.”*

For the Bayfront Strategy, the brownfields work will be scoped to reviewing and assessing remediating lands for continued industrial use and an update of the historic land use information.

RELEVANT CONSULTATION

The Capital Budgets Section, Corporate Services Department, was consulted in the preparation of this Staff Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The study area for the Bayfront Strategy is a large portion of the lower City of Hamilton located along the Hamilton Harbour Waterfront. The study area is made up of lands situated within an area that has been designated as “Employment Area – Industrial” and “Shipping and Navigation”, within the UHOP. The area includes industrial lands located between the waterfront and Barton Street to the south, Wellington Street in the west to Woodward Street in the east (Appendix “A”, Location Map).

As a work plan was developed by Community Planning staff for the Secondary Plan, Economic Development staff were completing their work on the Advanced Manufacturing Sector, and preparing an update to Council on Brownfields. It was at this point that it was determined that the scope of the Bayfront project should be expanded beyond what is directed in the UHOP to ensure a more comprehensive review of the area.

Although the Bayfront area is largely built out, the downturn in the manufacturing sector has resulted in the perception that the industrial lands within the study area are vacant or underutilized. Whether real or perceived, it is beneficial to explore the opportunities that exist for the Bayfront, to strengthen the City’s economic vitality. The expanded scope is needed to comprehensively study the Bayfront area, and will include a review and analysis of existing conditions, market opportunities, and a Brownfield Strategy. The study will explore opportunities to strengthen employment activities in the Bayfront area and to capitalize on the area’s strategic location. Short and medium term opportunities associated with the employment area will be explored, and discussions about the long term land use opportunities for the Bayfront will be initiated. The study will include stakeholder and public consultation programs. It is estimated that the study will take approximately a year and a half to complete, and will result in a broader Bayfront Strategy.

The Bayfront Strategy will include:

Market Opportunities:

- Market opportunities study will include a review and assessment of the current opportunities and constraints from a real estate development perspective; establishment of the market outlook and the feasibility of different types of development in the short, medium and long term; market soundings through interviews with key market participants and investors; and the development of a decision making framework or road map to guide subsequent components of the study;

Consultation Strategy:

- Development of a public and stakeholder engagement strategy and communication strategy;

Conditions Review and Gap Analysis:

- Historic land use review including a review of vacant and underutilized sites;
- Review and analysis of existing infrastructure (water, waste water, stormwater);
- Review and analysis of transportation and goods movement;

Financing Assessment:

- Review of the financing implications associated with infrastructure, transportation and development options;
- Review and assessment of brownfield and other incentive programs; and,

Planning and Land Use Review:

- Land use and urban design review and analysis, as informed by the market opportunities study, the conditions review and gap analysis, financial assessment, and public consultation.

The study will result in a short, medium, and long term strategy for the Bayfront area. It will be a road map for moving the Bayfront forward.

In February of this year, Economic Development staff brought forward a report on advanced manufacturing (The Current and Future State of Hamilton's Advanced Manufacturing Sector (PED14006) (City Wide)). Advanced manufacturing is a cluster of economic activities encompassing all facets of research, development, production, sales, distribution, logistics, customer service, marketing, and support, extending from the development of physical products to the delivery of services. The Bayfront is an advanced manufacturing area. Based on this work, staff are recommending that the consultants that completed the advanced manufacturing work, Deloitte, be retained to continue the work and prepare the market opportunities component of the Bayfront Strategy. The base information, research and contacts that were developed during the City-wide advanced manufacturing study will result in efficiencies and streamline the work on the Bayfront Strategy. The intent is to have the market opportunities work

completed as a separate study ahead of the other components. It will inform the remaining components of the study. In addition, Deloitte will be retained to provide input as the remainder of the study is completed. The other components of the study will be completed by consultants that will be retained through a Request for Proposals.

Based on the additional work, it was determined that additional funds would be required to undertake the Bayfront Strategy. As the expanded scope would include a brownfields strategy, Economic Development staff offered to fund a portion of the strategy, to a total study budget of \$350,000. This money would be transferred from the Economic Development Initiatives capital account (3621308900).

In addition, to the transfer of funds, staff are investigating alternate funding sources for the Bayfront Strategy, such the Federation of Canadian Municipalities (FCM) Green Municipal Fund and the Places Grow Implementation Fund. The Green Municipal Fund is a perpetual endowment fund which funds sustainable neighbourhood action plans, community brownfield action plans, and greenhouse gas (GHG) reduction plans. The FCM funding is a grant available which covers up to 50% of eligible costs to a maximum of \$175,000. The criteria states that the project would have to classify as a community brownfield action plan in order to be eligible for funding. Staff have had preliminary discussions with FCM regarding the criteria for funding, and will be applying for funding in the near future. Any funding received from FCM, or any other sources will be directed back to the Economic Development Initiatives capital project (3621308900), to replenish the capital account.

ALTERNATIVES FOR CONSIDERATION

Council could choose not to approve the transfer of funds. Completion of the current project scope would be contingent on the existing Bayfront Industrial Secondary Plan capital account (Project #8141155104) and on receiving funding from FCM or other grants. Alternatively, if the City is not successful in acquiring the FCM grant money, a scoped Bayfront Strategy would be undertaken using the funds currently available in the Bayfront Industrial Secondary Plan capital account (Project #8141155104).

Council could choose not to retain Deloitte to complete the market opportunities component of the study. The market opportunities component would be rolled into the Request for Proposals to be issued in the fall. It is estimated that additional funding would be required to complete the study and that there may be an impact on overall project timing.

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

- 1.3 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.

APPENDICES AND SCHEDULES ATTACHED

- Appendix “A”: Location Map

AF/MS/NS