



CITY OF HAMILTON
CITY MANAGER'S OFFICE
City Manager

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	October 5, 2016
SUBJECT/REPORT NO:	Corporate Strategic Growth Initiatives (CM16013) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Alvin Chan (905) 546-2424 Ext. 6412 Guy Paparella (905) 546-2424 Ext. 5807
SUBMITTED BY:	Guy Paparella Director, Growth Planning Planning and Economic Development Department Chris Murray City Manager City Manager's Office
SIGNATURE:	

RECOMMENDATIONS

- (a) That the Corporate Strategic Growth Initiatives Project and its governance structure attached as Appendix "A" to this Report, CM16013, be approved;
- (b) That staff be directed to provide information reports to the General Issues Committee respecting the status of all the strategic growth related projects as required or at a minimum of once a year;
- (c) That the Director of Growth Planning be directed to report back in 2018 to the General Issues Committee on the long-term sustainability of the Corporate Strategic Growth Initiatives for 2019 and beyond; and,
- (d) That, in consultation with the Procurement Section, Corporate Services Department, the City of Hamilton Procurement Policy be amended for consultancy services for the Land Budget and Growth Strategy Update for 2041 components of the GRIDS II strategic growth related project, terminating in December 2018, as follows:

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- (i) That the requirement to issue a formal Request for Proposals to the entire vendor community, be waived;
- (ii) That Requests for Proposals be issued on an invitational basis only and staff is to invite at least three firms to bid for each Request for Proposals (Purchasing Policy #5.4); and,
- (iii) That the Manager of Procurement have the authority to waive the requirement for three Bids for Requests for Proposals (Purchasing Policy #5.4), but will only do so where the Client Department has demonstrated, to the satisfaction of the Manager of Procurement, that a minimum of three Bids cannot be obtained.

EXECUTIVE SUMMARY

The purpose of this report is to advise Council of the Corporate Strategic Growth Initiatives Project being undertaken by the Planning and Economic Development and Public Works Departments, and coordinated through the City Manager's Office and the Director of Growth Planning, Mr. Guy Paparella.

There are a number of strategic growth related projects in various stages of completion that need to be finalized over the next three years, a list of which is provided in the "Relevant Consultation" section below. These projects are being led primarily within PED and PW. Over the past several months, senior staff in both departments have been meeting to discuss how best to coordinate these activities to make sure that all timelines and deliverables are appropriately aligned. The Corporate Strategic Growth Initiatives (CSGI) Project is staff's intended approach for achieving this objective. In collaboration with the relevant Directors, the CSGI Project will ensure that all strategic growth related projects are coordinated and completed in a timely and fiscally responsible manner.

Ultimately, the CSGI Project will identify the required infrastructure investment strategies and cost sharing policies which need to be included in the Development Charges Background Study and the Development Charges By-Law for July 2019. In addition, the Project results will inform the implementation of coordinated Multi-Year Capital Budget submissions

Information updates will be provided to the General Issues Committee respecting the status of all the strategic growth initiatives as required or at a minimum of once a year. In addition, the Director of Growth Planning will report back in 2018 to the General Issues Committee on the long-term sustainability of the Corporate Strategic Growth Initiatives for 2019 and beyond.

Lastly, to assist in completion of the GRIDS II strategic growth related project, an amendment to the City of Hamilton Procurement Policy is requested for the Land Budget

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and Growth Strategy Update for 2041 components of the GRIDS II strategic growth related project, as per Recommendation (d) noted above.

Alternatives for Consideration – See Page 9

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There are no Financial Implications as a result of this Report.

It is expected that all strategic growth related projects will be funded through the normal Council adopted Capital Budget process. The purpose of this report is to approve the governance approach by which these projects will be coordinated.

Staffing: There are no Staffing Implications or anticipated enhancements as result of this Report.

It is noted that staff estimates that up to nine (9) temporary or contract staff as identified within the Departmental Capital Projects for 2017 to 2018, will be required to participate on the various strategic growth related projects within the Corporate Strategic Growth Initiative Project. These projects and their staffing implications will be brought forward through the normal Capital Budget process. The purpose of this report is to approve the governance approach by which these projects will be coordinated.

The temporary or contract positions will vary in length between 6 months to up to 2 years dependent on the particular strategic growth initiative project, and could be a mix of union and non-union positions. Details will be provided as part of the Capital Budget submissions for each project.

Notwithstanding, all union contracts and corporate human resource policies will be adhered to. Any staff resourcing will fall within the City's Complement Control Policy with an estimated budget of approximately \$800,000 to \$1 million for the estimated nine (9) temporary or contract positions.

The recommended exemptions (See Recommendation (d) to this Report, CM16013) to the City's Procurement Policy will enable retention of the required consultant resources for the implementation of the Land Budget and Growth Strategy Update for 2041 components of the GRIDS II strategic growth related project.

Legal: It is imperative that the CSGI Project be completed in a timely fashion in order for the City to meet its statutory obligations under the *Development Charges Act*.

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HISTORICAL BACKGROUND

Historically, the Planning and Economic Development and Public Works Departments have been responsible for delivering on various strategic growth related projects that are necessary to guide the cities physical growth and fiscal sustainability. These include projects such as GRIDS and infrastructure master plans. These strategic growth related projects, in various stages of completion, need to be finalized over the next three years, and they involve many interdependencies across projects.

The Growth Management and Economic Development Working Group of SLT has agreed and directed that the Director of Growth Planning, reporting through the City Manager's Office, be responsible for coordinating and working with the relevant Directors to ensure all strategic growth related projects are coordinated and completed in a timely and fiscally responsible manner.

The individual Departments and Divisions will be responsible for the completion of the various growth related projects, and will provide scheduled updates to the CSGI Project Team to ensure coordination and collaboration of their projects.

The Director of Growth Planning and the CSGI Project Team will be responsible for tracking the progress of City wide strategic growth related projects and reporting their status to the Growth and Economic Development SLT Working Group.

Ultimately, the CSGI Project results will identify the required infrastructure investment strategies and cost sharing policies which need to be included in the Development Charges Background Study and the Development Charges By-Law for July 2019. In addition, the Project results will inform the implementation of coordinated Multi-Year Capital Budget submissions.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Development charges provide for the recovery of growth-related capital expenditures from new development. The City wide development charges are based on growth forecasts which project population, housing and non-residential floor area that have been derived from the City of Hamilton, Growth Related Integrated Development Strategy II (GRIDS II) projections to 2041. The *Development Charges Act* is the statutory basis to recover these charges by, amongst other things:

- 1) Identify amount, type and location of growth;
- 2) Identify the servicing needs to accommodate growth;
- 3) Identify capital costs to provide services to meet the needs;

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- 4) Deduct:
- a) Grants, subsidies and other contributions;
 - b) Benefit to existing development;
 - c) Statutory 10% deduction (soft services);
 - d) Amounts in excess of 10-year historic service calculations; and,
 - e) DC reserve funds (where applicable);
- 5) Net costs are then allocated between residential and non-residential benefit; and,
- 6) Net costs divided by growth to provide the DC Charge.

RELEVANT CONSULTATION

Through the CSGI Project, a communications tracking tool will be developed to identify key reporting dates, progress reports and other items that will facilitate the timely flow of information and updates across all Departments.

In consultation with all relevant Directors overseeing strategic growth related projects, the following list has been compiled:

Strategic Growth Related Projects	Department Responsible	Estimated Capital Funded Temporary / Contract Positions (to be brought forward through Capital Budget process)
1. Development Charges	Corporate Services	One (1) Position
<ul style="list-style-type: none"> • Development Charge By-law 		
<ul style="list-style-type: none"> • Complete DC Background Study 		
<ul style="list-style-type: none"> • Development Charge Stakeholder / Public Consultation 		
<ul style="list-style-type: none"> • Development Charge Public Meeting 		
<ul style="list-style-type: none"> • Variable Development Charges 		
2. GRIDS II 2031-2041 / Municipal Comprehensive Review	Planning & Economic Development	Three (3) Positions
<ul style="list-style-type: none"> • Terms of Reference 		
<ul style="list-style-type: none"> • Land Budget for 2031 to 2041 (employment / non-employment) 		
<ul style="list-style-type: none"> • Growth Scenarios / Evaluation 		

	Department Responsible	Estimated Capital Funded Temporary / Contract Positions (to be brought forward through Capital Budget process)
Strategic Growth Related Projects		
<ul style="list-style-type: none"> • Residential Intensification Review 		
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Downtown Servicing 		
<ul style="list-style-type: none"> • Land Use Options / Assessment 		
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Residential Update 		
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Commercial Update 		
<ul style="list-style-type: none"> <ul style="list-style-type: none"> ○ Employment Update 		
<ul style="list-style-type: none"> • Public Engagement 		
<ul style="list-style-type: none"> • Urban Boundary Exp. OPA 		
<ul style="list-style-type: none"> • OMB Appeals 		
3. City wide Master Plans	Public Works	Three (3) Positions
3(a) TMP		
3(b) WWWMP		
3(c) SWMP		
3(d) Flooding & Drainage Master Servicing		
3(e) LRT and Downtown Master Servicing (Detailed / Functional Design)		
4. ELFRIDA	Planning & Economic Development	
<ul style="list-style-type: none"> • Subwatershed Study 		
<ul style="list-style-type: none"> • Land Budget to 2031 (need / supply & resolve OMB app.) 		
<ul style="list-style-type: none"> • Infrastructure Assessment (Value Engineering) 		
<ul style="list-style-type: none"> • Net Net (Constraint Mapping) – Developable Area 		
<ul style="list-style-type: none"> • Secondary Plan 		
<ul style="list-style-type: none"> • OMB Appeals for Secondary Plan 		

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Strategic Growth Related Projects	Department Responsible	Estimated Capital Funded Temporary / Contract Positions (to be brought forward through Capital Budget process)
5. Financing Strategy for Growth / Staging of Development	Planning & Economic Development	Two (2) Positions
5(a) Financing Strategy (including variable DC's)		
5(b) Staging of Development		
6. AEGD including Airport Implementation Strategy	Planning & Economic Development	

ANALYSIS AND RATIONALE FOR RECOMMENDATION

There are a number of strategic growth related projects in various stages of completion need to be finalized over the next three years, a list of which is provided in the “Relevant Consultation” section above. The Corporate Strategic Growth Initiatives (CSGI) Project, in collaboration with the relevant Directors, will ensure that all strategic growth related projects are coordinated and completed in a timely and fiscally responsible manner.

Centralized coordination, integration and prioritization of long-term municipal servicing strategies for growth is critical for determining the future financial capacity of the City of Hamilton. Staging the City’s growth development and servicing infrastructure is dependent on timely receipt of growth forecasts that will allow for quantification of infrastructure demands and planning of constructible options in an efficient and effective manner.

More accurate infrastructure costing will spawn more appropriate financial investment strategies which will determine affordability levels and prioritization of growth in relation to community and Corporate plans, needs and desires. In addition, the use of variable development charges will be assessed as part of the Financial Strategy for Growth.

The CSGI Project Team will ensure project specific Terms of Reference that are consistent and collaborative while maintaining the overall time frame and critical path. This will be facilitated through open communication and documentation of assumptions for future project use in decision making. In particular the CSGI Project Team will distribute frequent Progress Reports and attend key meetings related to individual strategic growth related projects included in the CSGI Project. Progress Reports and meetings shall be coordinated with the respective Directors and / or Technical Advisory Team Leads.

The CSGI Project Team will meet bi-monthly with the CSGI Core Team to share status updates and address risks and challenges. Information obtained will be tracked in a communications tool that will prompt regular information gathering and compile outcomes. The outcomes will be reported quarterly to the Growth and Economic Development SLT Working Group (see Appendix “A” to Report CM16013).

Upon completion, the CSGI Core Team will prepare defensible, fiscally responsible infrastructure investment strategies and cost sharing policies including, but not limited to, Development Charges Background Study and Development Charges By-Law for July 2019, along with a coordinated Multi-Year Capital Budget submission process for all Corporate strategic growth related projects. Additionally, the Director of Growth Planning shall report back to the General Issues Committee in 2018, on the long-term sustainability of the Corporate Strategic Growth Initiatives for 2019 and beyond, as per Recommendation (c) above to this Report, CM16013.

In review of the Corporate strategic growth related projects identified in the “Relevant Consultation” section above, the Land Budget and Growth Strategy Update for 2041 components of the GRIDS II strategic growth related project require amendment to the City’s Procurement Policy as requested under Recommendation (d) above to this Report, CM16013.

This request is to address the potential risk with respect to the ability in retaining the required consultants with the appropriate expertise and experience to maintain the overall time frame and critical path in completing the above identified components of this strategic growth related project.

In particular, with respect to the Land Budget component, an assessment of future land needs for the City of Hamilton is required.

The Growth Plan for the Greater Golden Horseshoe requires municipalities to undertake this assessment to accommodate the 2041 population and employment forecast for the City including an identification of land required for specific housing types and employment uses. There are only a few specialized firms who can do this work, and they do not form part of the Roster.

Lastly, with respect to the Growth Strategy Update for 2041, this growth strategy will identify the appropriate areas of the City to accommodate both employment and population growth, including the potential need for additional land outside the urban boundary. This work is highly integrated with the infrastructure and transportation master plans. There is also a significant public consultation component required as part of this work. This strategy forms the basis for future Official Plan Amendments and is required as part of the Growth Plan for the Greater Golden Horseshoe conformity exercise.

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ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” – Governance Structure

GP/AC/acs