



# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>DATE:</b>	December 6, 2017
<b>SUBJECT/REPORT NO:</b>	Corporate Strategic Growth Initiatives Update 2017 (CM16013(a)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
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## **Council Direction:**

An update to the General Issues Committee is to be provided annually as identified in the original Report CM16013 dated October 5, 2016. Since the last update provided in November of 2016, both the Public Works Department and the Planning and Economic Development Department staff have been working on the various projects that form part of the Corporate Strategic Growth Initiatives Project (GSGI).

However, on May 18, 2017, the Province released the updated Growth Plan for the Greater Golden Horseshoe (Growth Plan), Greenbelt Plan and Niagara Escarpment Plan, with the changes documented in Report PED15078(e).

In particular, the following major changes have been identified:

- Increase in Residential Intensification target to 50% from 2022 to 2031 and to 60% from 2031 to 2041;
- Requirement to plan for a minimum density of 150 persons and jobs per hectare (pjh) at all Major Transit Station Areas (LRT corridor);

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- Increase in the density target for Designated Greenfield Areas (DGA) to 80 pjh for new urban areas (eg. Elfrida); and,
- Increase in the density target for existing DGA to 60 pjh from 2022 onwards, when the City's Municipal Comprehensive Review is anticipated to be completed.

In addition, the Province is preparing a land budget methodology to be used by all municipalities. It will identify a specific methodology to allocate the 2041 employment and population forecasts based on the Growth Plan targets. The land budget methodology is expected to be released by the end of 2017.

As a result, there are potential impacts and delays to the various CSGI projects which require the 2041 employment and population forecasts as inputs. Potential impacts include additional time required to complete the project, additional project work which may not have originally been anticipated or budgeted for, and servicing / traffic model re-runs.

As part of the CSGI project, a questionnaire was sent to all CSGI project team leaders for input into the identification of the potential ramifications of these delays, which are summarized in Appendix "A" attached to Report CM16013(a). Accordingly, the project Gantt charts have also been updated where required and is attached as Appendix "B" to Report CM16013(a).

Highlights for each individual CSGI project have been provided below:

**GRIDS II 2031-2041 / Municipal Comprehensive Review:**

GRIDS II is planning to 2041 based on the 2041 provincial forecasts, while also updating the 2031 population and employment allocations at the Traffic Zone level.

The delay to the land budget methodology will impact timing as the project cannot finalize population and employment land budgets.

In addition, added tasks to the Municipal Comprehensive Review process (Major Transit Station Area planning, revised targets, and new intensification / housing and employment strategies are to be completed) will result in a delay to the overall completion date and public consultation for GRIDS II.

Notwithstanding, there are no perceived financial impacts as a consultant has not yet been retained, given staff are currently finalizing the Terms of Reference (TOR) for the Request for Proposal(s). However, it will impact corporate finances with respect to DC Background Study and By-law.

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As result, the first Public Information Centre (PIC) will be delayed until February / March 2018, focusing on urban issues only (station area planning, intensification strategy), along with GRIDS background report.

The second PIC focusing on potential growth / expansion areas is slated for June 2018 (depending on if we go to the public in advance of the final land budget methodology).

Lastly, the timing of the third round of PIC for preferred growth option is dependent on land budget results and finalization date, and is tentatively scheduled for late 2018.

**Elfrida Growth Area Study:**

The Elfrida Growth Area Study is currently planning based on 2031 growth forecasts. Anticipated growth in the 2031 – 2041 time period will also be used as input into the planning process. However, given the uncertainty of the Provincial Land Budget Methodology, this may affect the timing, evaluation and identification of a preferred land use, framework and associated service planning for this new community.

Moreover, a delayed secondary plan approval will compromise our ability to maintain a supply of draft approved lots.

Although the project may be delayed in light of the above, it is not anticipated that there will be any cost implications unless previous consultant work needs to be redone as result of a different final land budget. This may in turn also affect Public Information Centres and Committee dates.

**Elfrida Subwatershed Study:**

The Subwatershed Study (SWS) is contingent on the outcomes of the above Elfrida Growth Area study. In particular, Phase Two of SWS may be delayed if there are changes to Secondary Plan land use designations and road network as result of the Provincial Land Budget methodology.

Of note, such changes could impact the calculation of potential infrastructure requirements, such as, but not limited to, pond size and locations. This may result in additional costs for model re-runs to reconfirm the servicing options, as re-runs were not included in the original TOR.

Lastly, PIC and Committee dates are contingent on the Secondary Plan land use and road networks. Therefore, any delay to the Elfrida Growth Area Study may affect PIC / Committee dates for the Subwatershed Study.

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**Water / Wastewater and Stormwater Management Master Plan:**

The Water / Wastewater and Stormwater Management (W/WWW and SW) Master Plan is currently being planned based on updated population / employment information reflecting updated Traffic Zones for 2041.

After discussion with Planning Staff, and based on the timing of Provincial input into the 2041 planning projections, it will not be feasible to complete the W/WWW and SW Master Plans in time to meet the deadline for 2019 DC Update. This is largely because the 2041 growth projections are expected to be finalized late 2018.

Should an interim DC Update for 2019 be required for the servicing strategy to meet 2031 growth, an updated 2031 planning forecast will be required from Planning staff by January / February 2018, with technical reviews scheduled for 2018. A full Water/Wastewater and Stormwater Master Plan to meet 2041 projections will be completed thereafter.

Based on the foregoing, any delays as result of the Potential Land Budget Methodology may therefore affect the budget and timing of project completion.

**Flooding and Drainage Master Servicing Study:**

As Task Three of the Flooding and Drainage Master Servicing Study, the consultant and Public Works staff will meet with Planning and Economic Development staff to determine the 2031-2041 projections to be utilized for this project. This task has not yet been initiated; however, if there are delays to the projections, the overall project, and project completion may be delayed as result.

Should projections be delayed beyond January 2018, additional model runs will be required, resulting in delays and additional costs as re-runs were not included in the original TOR.

Dependent on the level of changes and amount of delay with respect to the projections, this may affect PIC and Committee dates.

**LRT Servicing:**

LRT Servicing was based on an estimated full build-out assumption with the data having been provided by and further reviewed with the Planning Division for servicing analysis along the LRT corridor. In particular, City Traffic Zone 2031 data plus 10% growth assumptions at the upstream of LRT Corridor was estimated to represent 2041 data.

Notwithstanding the delay to the 2041 projections, as the infrastructure plan has been finalized, there are no impacts on the LRT project timelines and completion.

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Accordingly, there are no required model re-runs or cost impacts to the LRT project. Lastly, as there are no PIC or Committee meetings as part of this project, there are no impacts on LRT project timelines or completion.

**Financial Strategy for Growth / Staging of Development 2018-2020:**

There are no significant impacts on the Staging of Development 2018-2020 report, as this report focused on current and draft approved applications. The policy framework behind the Provincial Land Budget Methodology may alter the distribution of growth thereby triggering the need for downstream infrastructure improvements which may delay the upstream lands proceeding to registration.

However, staff note that a delay to the final growth options may compromise the City's ability to maintain a supply of draft approved lots while ensuring adequate servicing and capital infrastructure to facilitate growth.

**Airport Employment Growth District:**

In light of the Provincial Land Budget Methodology delay, this may compromise the timing and evaluation employment populations up to 2041, and consequently may require adjustments to the limits of Stage Two of the Employment Growth District.

There are no perceived financial impacts to the associated masterplans (W/WW, SWM and TMP) for the Airport Employment Growth District, unless previous consultant work needs to be redone as result of a different final land budget.

Therefore, dates for PIC and Committee may be affected should adjustments be required due to any population changes.

**Development Charges (DC):**

This project has not yet been initiated. However, delays to growth options may delay capture of eligible infrastructure and works into DC Background Study and By-law. A consultant has not yet retained; therefore, there are no perceived financial impacts at this time.

However, if there is a major discrepancy between the 2031 and 2041 growth projection numbers, including employment and population projections and related capital costs to service this growth, this may result in additional costs for by-law amendments. If by-law amendments are required due to major discrepancy between 2031 and 2041 numbers, this will result in additional PIC / Committee dates.

**City Wide Transportation Master Plan:**

Staff is currently finalizing the City Wide Transportation Master Plan update which applied the 2031 planning horizon based on Council approved population and employment forecasts provided by Planning. These are used as an input into the technical modelling exercise to forecast traffic and transit impacts. As such, there are no impacts to the current update as result of delays to 2041 employment and population projections.

Notwithstanding the above, as staff have not initiated the next update for 2041, future plan reviews and model management will be based on 2041 numbers once available, but would not result in any additional costs. However, any delay in the provision of these numbers would subsequently delay initiation of the next plan review, and related public consultations and Committee meetings.

**Summary of Implications**

The most critical impact is the subsequent delay in the identification of required infrastructure investment strategies and cost sharing policies for the DC Background Study and By-law for July 2019.

Of note, almost two-thirds of Ontario municipalities face the same problem and the majority have elected to use City-wide interim DC By-laws based on 2031 growth projections with 2016 census data updates, while also accounting for the new rule changes for Transit Services and the inclusion of a new service, Waste Services.

City of Hamilton, Corporate Services, Finance staff, remain in review of the potential ramifications of these delays to the DC Background Study and the DC By-Law for July 2019. A future report will be brought forward by Corporate Services, Finance staff detailing any potential ramifications and options available once the uncertainty surrounding the 2041 planning horizon is resolved.

The implementation of a new DC By-law in July 2019 following a DC Background Study cannot be delayed and the Study will need to move forward with the data available at the time of Study initiation; likely 2031 growth forecasts and related capital costs. Where options exist in terms of what data to move forward with or whether to initiate a DC By-law amendment, staff will consult with Council through a staff report for direction.

**February – March 2018**

Staff will present the draft DC Intensification Pricing Options to City DC Stakeholders Committee. Through review, the Stakeholder Committee will recommend preferred option to Council.

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April – June 2018

Staff will present the preferred option as recommended by the DC Stakeholder Committee to Council. Council will verify and recommend their preferred DC Pricing option. Staff and consultants would then use updated costing / population / employment forecasts regarding the 2019 City DC By-law.

January 2019

Staff will present to DC Stakeholder Committee the final DC Quantum; DC By-law; and, proposed policy changes.

March 2019

Staff will present to Council the DC Stakeholder Committee recommendations (i.e. final DC Quantum, DC By-law and proposed policy changes).

**APPENDICES ATTACHED**

- Appendix “A”: Summary Response Table of all CSGI Projects
- Appendix “B”: Updated Gantt Chart

AC/GP/sd