




INFORMATION REPORT

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| TO: | Mayor and Members General Issues Committee |
| COMMITTEE DATE: | January 13, 2021 |
| SUBJECT/REPORT NO: | 2020 Annual Report on the 2016-2020 Economic Development Action Plan Progress (PED20203) (City Wide) (Outstanding Business List Item) |
| WARD(S) AFFECTED: | City Wide |
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| SUBMITTED BY: | Norm Schleeahn Director, Economic Development Planning and Economic Development Department |
| SIGNATURE: |  |

The purpose of this Information Report is to report back to Council on the implementation of the 2016-2020 Economic Development Action Plan (EDAP) as well as to provide an update on the development of the new 2021-2025 Economic Development Action Plan.

COUNCIL DIRECTION

To report back on the progress of implementing the 2016-2020 Economic Development Action Plan on an annual basis, providing a regular and consistent overview on the status of the 11 Stretch Targets and 61 Actions identified within the Action Plan.

INFORMATION

On December 7, 2016, the 2016-2020 EDAP was approved by City Council. The EDAP communicated the six high level goals identified by stakeholders as priorities, and further identified nine areas of focus that staff would concentrate efforts and resources on to realize those goals. The EDAP also identified 11 measurable Stretch Targets and 61 specific Actions.

For the last four years, the Economic Development Division has delivered updates on

progress made during the past four years in reports to the General Issues Committee (PED17041, PED18066, PED19036 and PED20039), providing a baseline for future progress reporting. This Information Report is the fifth and final annual update, covering progress made during the 2020 calendar year up to November 2020 and summarizes the overall achievements and the next steps for the 2021-2025 EDAP.

Update on the 11 Stretch Targets

Notwithstanding the fact that they were intended to be “stretch targets” that would not necessarily be achievable within the timeline of the EDAP, there have been notable achievements and progress made on many of the 11 Stretch Targets established in the 2016-2020 EDAP, with seven Stretch Targets being achieved or nearly achieved as outlined in the two charts below.

Stretch Targets Achieved

| Stretch Targets | Five Year Cumulative Performance (2016-2020) |
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| Increase Hamilton's shovel-ready land supply by 500 acres | Over 500 acres of shovel-ready land were added to the industrial land supply over the past five years. |
| <p>Add seven million square feet of new Industrial/Commercial space</p> <p>Add the following new major economic development assets:</p> <p>A manufacturing incubation space</p> | <p>As of November 30, 2020, 6,827,000 square feet of new commercial and industrial product had been constructed over the last 5 years. This total does not take into account new buildings constructed at John C. Munro Hamilton International Airport and the Hamilton Oshawa Port Authority, which when included, would surpass the 7,000,000 square foot target.</p> <p>Innovation Factory, The Forge and the Centre for Integrated Transportation and Mobility expanded into a 10,000 square foot collaborative space at McMaster Innovation Park named “The Garage”.</p> |
| Have ten local companies on the PROFIT Magazine "Fastest Growing Businesses" list | <p>The "Hamilton Fast 40" program was successful in raising the profile of fast-growing Hamilton based businesses and helped encourage those businesses to apply for national honours in this prestigious publication.</p> <p>This Stretch Target was Achieved in 2018 when 12 Hamilton companies were listed in Canadian Business Magazine's (the renamed PROFIT Magazine) “Fastest Growing Businesses” list. The large increase from 2017's four companies was a direct result of outreach to the inaugural Hamilton Fast 40 recipients (which was launched</p> |

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| | in 2018). |
| Attract five major events (like the JUNOs) that generate a total combined economic impact of at least \$50 M | Successfully secured eight major events: North American Indigenous Games 2017 (selected sports/cultural festival), Vanier Cup 2017, Canadian Country Music Week (2018 and 2020 (will be rescheduled)), the RBC Canadian Open (2019 and 2023) the 2021 Grey Cup and 2021 Kin Canada National Convention. |
| Achieve Intelligent Communities Forum Top 7 Ranking | The City of Hamilton achieved global recognition as a Top 7 Intelligent Community twice over the past five years (2018 and 2020). |

Stretch Targets Nearly Achieved

| Stretch Targets | Five Year Cumulative Performance (2016-2020) |
|---|---|
| Generate a total of \$2 B in Industrial and Commercial construction value | TOTAL - \$1.663 M in estimated value (\$820 M commercial, \$843 M industrial). This total does not take into account the value of the of the new buildings constructed at John C. Munro Hamilton International Airport and the Hamilton Oshawa Port Authority. |
| Add the following new major economic development assets: A data centre | One data centre was established (and later closed due to merger/acquisition activities of the owner), and several investment inquiries have been fielded and are currently being pursued. The Economic Development Division also partnered with Computing Infrastructure Research Centre to conduct a feasibility study and held meetings with Hamilton's public Chief Technology Officers, and public sector partners to assess co-location interest. |
| Add the following new major economic development assets: A major film studio | On December 2, 2020, Aeon Studio Group announced the first step of their initial film investment business in Hamilton with an 80,000 square foot film studio to open February 2021 at 243 Queen Street North. |
| Add the following new major economic development assets: An 800 to 1,200 seat multi-use performance centre | The New Vision Music Hall (a 600 to 1,100 seat music and live performance venue) is a community-led new performance venue that, when fully operational, will achieve this Stretch Target. The City of Hamilton provided the owners with funding to cover the cost of a feasibility study of converting the former church into a concert venue. The City of Hamilton recently leased 125 Barton Street, to Sonic Unyon, which being converted to a multi-use performance centre called Bridgeworks. The capacity of |

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| | <p>this venue will be 500 once the work to renovate the space is complete and there are no COVID-19 restrictions.</p> <p>Finally, as mentioned in previous annual updates, the McIntosh Performing Arts Centre at Mohawk College has become more generally available for booking an event hosting and has planned facility upgrades to further enhance its value as a venue.</p> |
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Of the remaining four Stretch Targets, three have a final status of progressing as outlined in the chart below.

Stretch Targets that are Progressing

| Stretch Targets | Five Year Cumulative Performance (2016-2020) |
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| Extend regular HSR service (connected to the broader BLAST network) to the interior of the Red Hill, Flamborough and Stoney Creek Business Parks and offer 24/7 service to John C. Munro Hamilton International Airport | Investments made to-date through the 10-year local transit strategy have seen material increases in service frequency, with additional scheduled improvements postponed due to the global pandemic. |
| Reduce Hamilton's office vacancy rate to 7% | A total reduction of 2.02% to 11.8% has been achieved based on the reported vacancy rate of 13.82% in 2016. |
| <p>Enhance Hamilton's Image as a Digital City by enabling access to broadband internet speeds of:</p> <p>250 megabit/second to all rural Hamilton</p> <p>One gigabit/second to all urban Hamilton</p> <p>10 gigabit/second to all of our business parks and major commercial areas</p> | <p>There has been material improvement seen in many parts of the City due to major investments, infrastructure upgrades and expanded product and service offerings from the incumbent telecommunication companies.</p> <p>These collective improvements have resulted in a significant increase in the availability of high-speed internet for Hamilton businesses and residents, but they do not consistently reach the defined Stretch Target objectives for each of the targeted geographic areas.</p> |

The remaining Stretch Target being not achieved.

Stretch Targets Not Achieved

| Stretch Targets | Five Year Cumulative Performance (2016-2020) |
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| Triple the municipal tax assessment from Stelco lands | <p>Since 2016, tax assessment on the Stelco lands has decreased by \$65.4 M.</p> <p>The City filed an appeal of this property's assessment for the 2018 tax year which is still ongoing to-date and includes tax years 2019 and 2020.</p> |

Update on the 61 Actions

The 2016-2020 EDAP also identified 61 Actions that City staff would pursue completion of over the five-year duration of the EDAP, in addition to their existing work plan responsibilities, with the assistance and partnership of external stakeholders. An overview of the final status of all 61 Actions as of November 2020 can be seen in the chart below.

High Level Overview of the Status of the 61 Identified Actions

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| Actions Completed in 2020 | 3 |
| Total Actions Completed (Including Actions Completed in 2020) | 30 |
| Ongoing Multi-Year Actions Performed during 2016-2020 EDAP | 22 |
| Total Actions Completed or Performed | 52 |
| Total Deferred or Incomplete Actions | 9 |
| Percent of All Actions Completed or Performed | 85% |

All 61 identified Actions were started in some capacity over the past five years, with 24 of them being ongoing multi-year Actions, and 37 of them being project or initiative-based Actions. Staff reported that 22 of the 24 ongoing multi-year Actions and 30 of the 37 project or initiative-based Actions were completed or performed as of November 2020, with the remaining nine Actions being deferred or incomplete due to a number of factors, including the global pandemic.

For the final year of the 2016-2020 EDAP, there were six Actions scheduled to be completed. The following chart provides visibility into the status (as of November 2020) of those previously identified Actions.

Overview of 2020 EDAP Work Plan Progress

| 2020 Workplan - Actions Completed or Deferred in 2020 | Status |
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| Obtain official designation for lands around the John C. Munro Hamilton International Airport as a Foreign Trade Zone Point. | Completed |
| Complete a comprehensive asset mapping exercise of all Information Communication Technology (ICT) sector companies and infrastructure. | Completed |
| Develop and implement an ICT and Digital Media Sector Strategy. | Completed |
| 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. | For consideration in 2021-2025 EDAP |
| Create an updated Global Hamilton Strategy (formerly known as the Immigration Attraction Strategy). | For consideration in 2021-2025 EDAP |
| Create and implement a comprehensive Business Succession Program. | For consideration in 2021-2025 EDAP |

Three of the remaining six Actions were completed during the calendar year. These three Actions were in progress and saw their priority change due to the global pandemic, and the impact that the rapidly changing environment had on their respective scopes, scales, relevance and timeliness. All three Actions are expected to be evaluated as potential Actions in the next EDAP.

Appendix "A" to Report PED20203 provides a detailed breakdown of all 61 Actions based on their final status as of November 2020.

2021-2025 Economic Development Action Plan

For the past year, staff from the Economic Development Division and the Tourism and Culture Division have been working on the next iteration of the City's Economic Development Strategy, the 2021-2025 EDAP, reviewing best practices, researching opportunities and threats as it relates to both the global and local economy over the next five years.

This has included consulting with the numerous internal and external stakeholders of the City's EDAP, including strategic service delivery partners, businesses and organizations inclusive of all sectors, City staff and the general public through various engagement methodologies.

The 2021-2025 EDAP is nearing completion and is targeted to be presented to the General Issues Committee in the first or second quarter of 2021. It will incorporate information and Council direction relating to the Mayor's Task Force on Economic Recovery report and associated recommendations. It will also include input from local businesses obtained through a second COVID-19 Impact Survey (the first having been completed in the second quarter of 2020), which will be undertaken in January 2021. Finally, the 2021-2025 EDAP will reference and incorporate Actions relating to the Term of Council priorities established in 2018, specifically equity, diversity and inclusion as well as climate action.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" - List of 2016-2020 EDAP Actions by Status

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List of 2016-2020 EDAP Actions by Status

| Completed Actions |
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| Collaborate with stakeholders on a comprehensive review of the potential opportunities associated with Stelco lands. |
| Complete a comprehensive asset mapping exercise of all Information Communication Technology (ICT) sector companies and infrastructure. |
| Complete a re-zoning of the Port lands to accommodate appropriate uses and multi-modal activity. |
| Complete an Internet of Things Cluster Feasibility Study. |
| Complete lean review of the approvals process. |
| Create an international business "Soft-Landing" space in Hamilton. |
| Create and implement a Creative Cultural Industries Sector Strategy. |
| Create and implement a FIRE Sector Strategy. |
| Create and implement a Life Science Sector Strategy. |
| Create and implement an Incentive Program for Business Parks and Industrial Areas to increase the investment attractiveness for targeted investments. |
| Design a targeted multi-year marketing campaign related to Hamilton's commercial office opportunities. |
| Design and deliver an Annual Work Intentions Survey to current post-secondary students and workers commuting in and around Hamilton. |
| Develop a regional manufacturing asset map, identifying key service providers and supply chain linkages. |
| Develop an industry-based tourism advisory group. |
| Develop and implement a Comprehensive Customer Service Program. |
| Develop and implement an ICT and Digital Media Sector Strategy. |
| Establish a Sports Analytics Cluster to pursue a nationally recognized area of expertise. |
| Establish the Bi-National Research, Innovation and Education Corridor. |
| Establish the International Business Machines Company/Hamilton Health Sciences Collaboration Space (now known as Innovation Exchange). |
| Obtain official designation for lands around the John C. Munro Hamilton International Airport as a Foreign Trade Zone Point. |
| Pursue extension in scope and funding for programs delivered by the Hamilton Business Centre. |
| Pursue potential funding and partnership opportunities related to the Premier's Highly Skilled Workforce Expert Panel report. |
| Realign staffing assignments to increase coverage of key sectors. |
| Redevelopment of the Tourism website. |
| Refresh the Invest in Hamilton website to be a better promotional tool for Hamilton to enable the attraction of new companies. |
| Review and update commercial zoning to provide greater flexibility for business attraction and growth. |
| Complete a comprehensive review of the City's Business Licensing By-law. |
| Review zoning and other barriers to the establishment of Creative Cultural Industries. |
| Undertake review on the future viability of the Hamilton Technology Centre. |
| Update and implement the Economic Development Marketing Strategy. |
| Update Commercial Market Assessments for specific Business Improvement Areas. |
| Implement process for the prioritization of non-residential applications and permits. |

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| Ongoing Multi-Year Actions Performed in 2020 |
| Implement the State of Manufacturing in Hamilton (Advanced Manufacturing) Strategy. |
| Implement the Food and Farming Action Plan 2021 to support the agricultural sector. |
| Implement the Music Strategy and launch the City of Music marketing efforts. |
| Implement the Cultural Plan. |
| Create a City of Animation Strategy targeting the improvement of public space animation. |
| Promote the Airport Employment Growth District as a North American Gateway hub for logistics, distribution and goods movement. |
| Implement the City of Hamilton's 2015 Foreign Direct Investment Strategy. |
| Implement the Invest in Hamilton-Niagara Partnership Work Plan. |
| Acquire lands in industrial parks for business attraction. |
| Strategically sell surplus City properties. |
| Implement the West Harbour Redevelopment plans. |
| Implement the Bayfront Strategy. |
| Conduct analysis on the viability of operating the Small Business Enterprise Centre across multiple sites in the City. |
| Leverage Regional Innovation Centre and the ONE Network to enhance the reach, scope and impact on the Hamilton community. |
| Complete the BLAST network to link workers to employment areas across all parts of the City. |
| Provide regular, reliable and frequent transit access to all business parks. |
| Implement the 2015-2020 Tourism Strategy. |
| Enhance and animate the Visitor Centre to include opportunities to support Creative Industries and Culture and Diversity. |
| Implement the recommendations provided by the Mayor's Blue-Ribbon Task Force for Workforce Development. |
| Implement process for the prioritization of non-residential applications and permits. |

| Deferred and/or Delayed Actions |
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| Establish a food terminal or hub for food producers to distribute their products. |
| Update the Goods Movement Sector Strategy. |
| Create and implement a Digital Strategy for the City of Hamilton that identifies strategies to improve the ICT infrastructure (broadband internet) in the City. |
| 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. |
| Create an updated Global Hamilton Strategy (formerly known as the Immigration Attraction Strategy). |
| Create and implement a comprehensive Business Succession Program. |
| Implement the Council-approved LRT project. |
| Create strategy to maximize future economic uplift and actions resulting from the LRT project. |
| Establish incubative makers' space for specialty manufacturing in the creative/cultural industries. |