




Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	August 12, 2024
SUBJECT/REPORT NO:	Encampment Impacts on Hamilton Businesses Consultation Results (PED24143) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Cristina Geissler (905) 546-2424 Ext. 2632
SUBMITTED BY:	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
SIGNATURE:	 Acting Director – Judy Lam

COUNCIL DIRECTION

On June 19, 2024, Council presented a motion asking Planning and Economic Development staff to “consult with the business community, including Business Improvement Areas, to understand the impacts of encampments on both their businesses and customers and report back to the August 12, 2024 General Issues Committee meeting on the results of the consultation”.

INFORMATION

In consultation with Engage Hamilton staff, a survey was developed and made available on Wednesday July 3, 2024 (open until Friday July 26, 2024) via a direct link to the Encampment Impacts to Hamilton Businesses Survey. To mitigate the risk of non-business survey participants, potentially affecting the actual or perceived integrity of the responses, Economic Development and Engage Hamilton staff developed a communication plan to distribute the survey directly to the business community. This plan included sharing the direct survey link with the business community through various targeted means such as through Economic Development’s social media channels, collaborating with business-focused partners such as the City’s Chambers of Commerce and Business Improvement Areas, and leveraging Economic Development staff’s network of business contacts.

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The survey results reflect business owners' experiences and perceptions and it is acknowledged that the response provided relate to both unhoused individuals and those who have a place of residence and frequent for extended periods of time the Business Improvement Area and other commercial areas.

A Communication Update was provided to Mayor and Members of Council on July 3, 2024 outlining the process and steps taken to launch the encampment impacts on businesses survey.

For the three-week duration of this survey being made available to the Hamilton business community, 342 survey responses were received. Information about the survey was targeted and sent to Economic Development team contacts including:

- Business Improvement Areas that shared the survey with their business membership;
- Hamilton Chamber of Commerce;
- Stoney Creek Chamber of Commerce;
- Flamborough Chamber of Commerce;
- Hamilton hotels;
- Film Office contacts;
- Downtown office tenants and property owners;
- Economic Development Business Development Consultant contacts; and,
- Hamilton Business Centre contacts.

Survey Response Metrics and Disclaimers

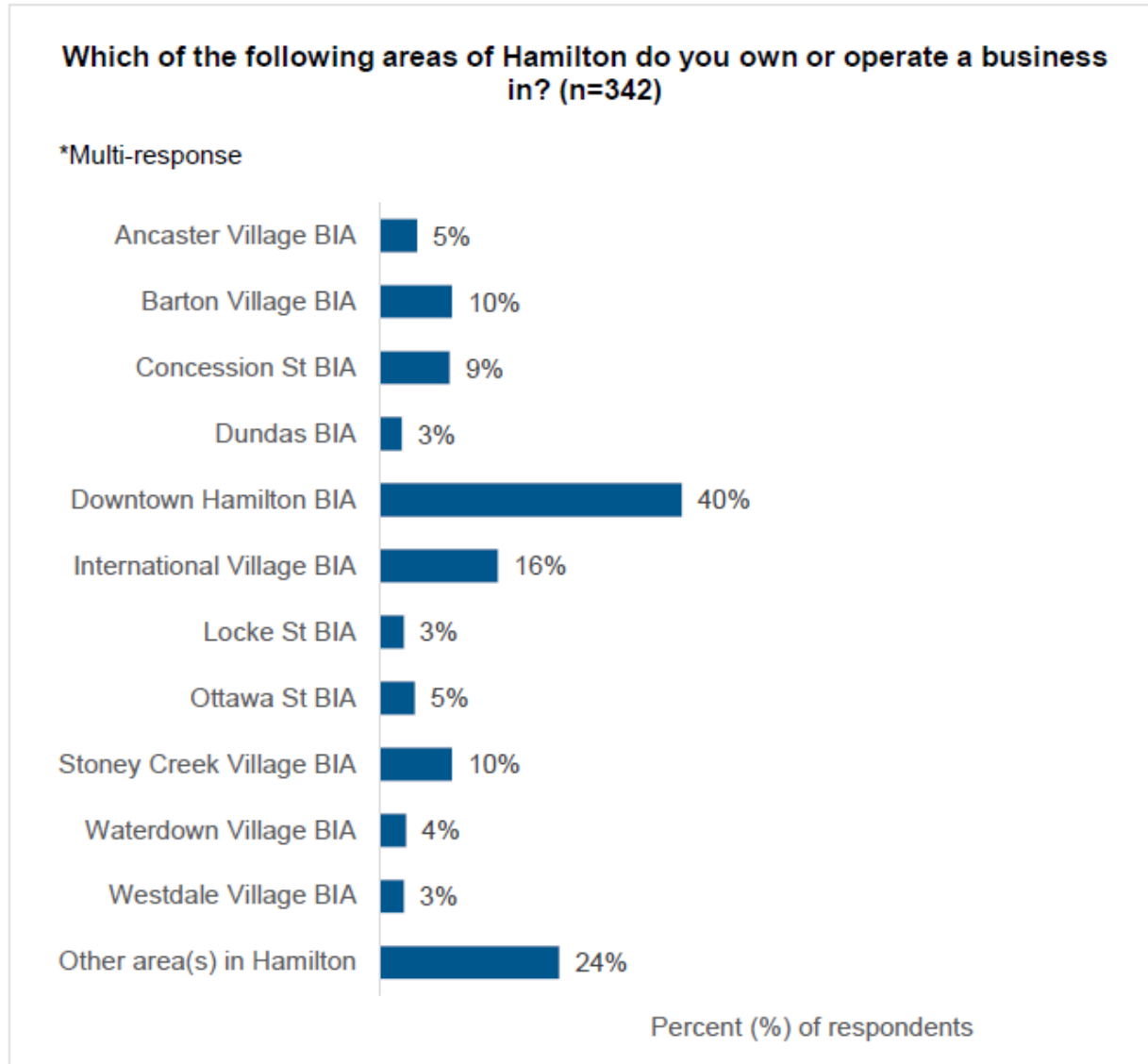
Staff note the following important considerations about the survey and their results:

- This is not a statistically valid survey and was intended to be a pulse check on the business community and to solicit information on what they are feeling and experiencing; and,
- Although the survey specifically made reference to feedback on impacts of encampments as per Council's Motion, responses may reflect various other social issues and may not be directly tied to encampments.

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From July 2 to July 26, 2024, the survey was accessed 518 times, with a total of 342 surveys completed. Approximately 79% of respondents indicated operating a business in at least one of the Hamilton Business Improvement Areas with Downtown Hamilton Business Improvement Area (40%), being the most highly represented followed by the International Village Business Improvement Area (16%), the Barton Village Business Improvement Area (10%) and the Stoney Creek Village Business Improvement Area (10%).

Chart from Appendix “A” to Report PED24143



See Appendix “A” to Report PED24143 – Encampments: Impacts on Businesses in Hamilton Survey Summary, for a more detailed breakdown of the survey results.

Key Results Summary

The majority (82%) of respondents indicated that the presence of encampments has had an impact on business whether it be extreme (31%), major (23%), moderate (20%) or minor (9%).

Respondent Feedback on Impacts Encampments on Businesses / Customers

The top five most common impacts encampments have had on businesses and / or customers include:

1. Cleanliness
 - a. Garbage and waste, including drug paraphernalia and human waste being left around businesses;
2. Criminal Activity
 - a. Safety concerns from customers, business owners and employees;
 - b. Thefts from the business / business property, vandalism or break-ins to business property and / or vehicles;
3. Impacts to Businesses and Business Modifications in Response to Challenges
 - a. Loss of business, revenues, customers and/or business opportunities, increased costs, and other impacts to businesses; and,
 - b. Customers and employees not wanting to be in the area.

Respondent Suggestions for Supporting Businesses

Further discussion respecting each of the respondent themes is provided below. In addition, verbatim survey responses have been provided in Appendix “B” to Report PED24143 – Encampments: Impacts on Businesses in Hamilton Survey Summary - Verbatim Responses for Open Ended Questions.

The top five most common suggestions for how the City of Hamilton can support businesses with the impacts of encampments include:

- Providing supports to the homeless individuals such as housing, washrooms, addictions support, mental health supports etc.;
- Removing encampments or moving them away from business areas, homes, parks, downtown and / or schools;

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- Increasing police presence and patrol, enforcing laws and arresting offenders and quicker response times;
- Defining encampment policies, By-laws and / or having designated locations for encampments; and,
- Assist with “clean-up” of the City, garbage, waste, sidewalks, public spaces, etc.

1. Cleanliness

Hamilton businesses communicated concerns related to overall cleanliness with issues identified around litter, human waste on private property, presence of drug paraphernalia, and graffiti.

These are a sample of respondent comments with respect to cleanliness concerns:

- “Customers feel uneasy and unsafe when walking to our buildings and into our buildings (if there is anyone posted up in the lobby). It also makes things feel dirty - we've found a pile of poo in the lobby twice”;
- “Gross, unhygienic, and makes our City look like it is not taken care of. Clients and employees are afraid to walk down the streets”; and,
- “Impeding customer access to business, encampments have also made customers not want to approach the business, unsanitary conditions that can't always be cleaned up due to repercussions from being too close to someone's belongings in an encampment”.

Staff note this theme has come up frequently in previous engagement efforts by Economic Development, particularly as related to the Downtown core area and has been the focus of recent City efforts. Specifically in mid 2023, Economic Development staff worked collaboratively with the Waste Management and Road Maintenance team in Public Works to increase service levels. Service level enhancements were funded by the Economic Development Division through to July 2024 with a total funding commitment of \$817,206 from the Economic Development Initiatives Capital Project (3621708900).

Beginning in July 2023, the Downtown saw an increase of litter collection and sidewalk sweeping with additional service level enhancements for roadway and cycle lane sweeping, weed trimming, debris pickup and graffiti removal beginning in October 2023. The Economic Development team has received feedback from downtown businesses and property owners that there has been a noticed improvement from this funding to improving downtown cleanliness. The

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enhancements Economic Development supported were made permanent through additional funding provided to the Waste Management and Roads Maintenance section through the 2024 budget.

2. Criminal Activity

Hamilton business communicated concerns that include theft, physical assaults of business staff and customers, harassment of business staff and customers, verbal abuse of business staff, vandalism, smashed windows, and trespassing on private property. There have also been reports of fires being set close to business property boundaries.

A sample of respondent comments to reiterate these concerns:

- “Garbage and needles everywhere near encampment sites. Human trafficking of new immigrants at intersections. Theft of personal property outside of businesses and personal addresses near encampments. Open burning at sites. Theft in stores by encampment residents. Fear and risk to customers and staff when attending for work requirements. Feeling unsafe near encampments and those who are panhandling etc.”; and,
- “I have had many regular clients tell me they no longer feel safe to park or come to my establishment and have lost them as repeat clients to my competitors. I have also lost 3 great employees who were either harassed, followed, yelled at, or felt unsafe leaving the premises to go to their car in fear that the people camped around the building would continue this erratic behaviour. Homeless and addicted people have also vandalized our property, and often leave their paraphernalia around the door, standing areas, and parking areas of our establishment. I have had to pay for clean up several times and I am often calling the police for help to remove people who refuse to leave these areas”.

3. Impacts to Businesses and Business Modifications in Response to Challenges

Through the survey responses received businesses identified various changes to their business operations in response to perceived issues related to encampments. Responses include reductions or changes to hours of operations due to safety and security concerns. Survey respondents stated businesses close early or restrict access (ring a doorbell to gain access to the storefront) because of ongoing challenges with trespassing and security concerns. Other business or property owners have stated through survey response that they have taken on additional costs to hire private security. Some businesses have also restricted public access to their restrooms due to criminal activity (drug use, cleanliness issues and vandalism) in these areas.

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To support these concerns, survey participants offered comments such as:

- “Due to safety concerns, we now keep the front doors of our business locked. Customers have to knock on the door to be let in, which is not very welcoming. We have had to hire security for our business, at our cost. Employees are concerned about their safety coming in and leaving work as well as at lunch. There are concerns over our ability to recruit talent, as many people do not want to come downtown. Many employees site safety concerns as a reason to increase the number of days they are to work from home”.

Other feedback received included storefronts and office tenants opting to not renew their leases or anticipating that they will not renew their lease due to safety and security concerns in the downtown core.

Sample of respondent comments from the survey:

- “Downtown is not safe or clean or pleasant for us, our employees and our clients. After more than 100 years downtown, we intend to move our business elsewhere with deep regret”; and,
- “Encampments and presence of unhoused people has deeply affected our business. Lots of activity outside our restaurant. Unable to have a patio out front due to the disruptive nature of the area. Customers feel unsafe when coming down to the downtown area. Staff feel unsafe when leaving at night”.

Survey respondents have reported loss of business. Business owners / operators have also received customer complaints and feedback that their customers are not comfortable coming into storefronts close to encampments for safety and security concerns. Businesses are reporting loss of staff and challenges in hiring replacement staff. There are also concerns with the reputation and brand of Hamilton in the downtown core linked to the presence of encampments and related safety, security and cleanliness issues.

These are some additional examples of respondent feedback received in the survey:

- “Customers have outright told us they won't come downtown because of the fear of encampment members. The increase in drug related issues, garbage related issues, etc., has gotten out of control since the encampments have sprung up everywhere. The incidents of out-of-control people entering our store and harassing our customers has increased substantially. Our business is suffering and revenue is dropping”; and,

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- “We have experienced theft / vandalism of 30,000 dollars between the two downtown restaurants over three years (heating, ventilation and air conditioning units, furniture, plants, planters and accessories, graffiti, merchandise) and no theft or vandalism outside the core. Customers generally speaking are avoiding businesses in the core and finding alternate solutions in the suburbs or elsewhere, where vagrancy is not apparent”.

It is also noteworthy that some respondents have already chosen to relocate their business away from the downtown because of the concerns and issues identified, and as reflected, in the comments of the survey results.

See Appendix “B” to Report PED24143 – Encampments: Impacts on Businesses in Hamilton Survey Summary - Verbatim Responses for Open Ended Questions.

In addition to the survey results, there have been other sources of business consultation over the last two years.

Impacts to Business Improvement Areas:

- Business Improvement Areas are reporting frustration from their membership as they are not equipped with the tools and resources to support their businesses in the face of escalating safety concerns. Downtown Business Improvement Areas have provided written delegations on this matter to Council Aug 14, 2023, May 15, 2024 and June 19, 2024. There have also been in person delegations to the Hamilton Police Services Board on April 27, 2023 and to GIC on June 14, 2023;
- As per the mandate of the Business Improvement Areas, planning and executing activations and events to attract people into their areas are being hindered by reports of harassment of attendees as well as the presence of encampments that are sometimes directly located in areas where the events are to take place. The presence of encampments is also resulting in a reduction of foot traffic and a challenge in an ability to attract people into these areas for concerns of safety, security and cleanliness. Restaurants have also expressed concerns with operating their patios due to patron safety impacts from encampments; and,
- Businesses have also reported reduced hours or elimination of outdoor patio spaces due to safety and security concerns in the downtown core. As an example, in a July 23, 2024 Hamilton Spectator article, restaurant general manager Paul Wells of the Black Forest Inn Restaurant blamed the “growing downtown homeless encampments and associated drug use for drying up demand for the restaurant’s “beer garden” patio.

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Downtown Office Report as part of PED23081- Major Office Landlord Concerns and Challenges (2022-2024)

Over the course of 2022 to early 2024, senior Economic Development Division staff have continued to meet with major downtown Hamilton office landlords, office tenants, major downtown employers, and Downtown Business Improvement Areas. These discussions have been centred on current challenges being experienced by downtown workers and employers. Through these consultations, Economic Development staff have heard in the last six to ten months, the business community's safety concerns have been heightened due to escalating incidences and safety issues surrounding encampments.

In July 2024, a recent discussion between Economic Development and a property owner, provided the following feedback:

- “The rampant and aggressive drug behaviour is horrifying. Everyday I worry that one of my staff will be attacked. I know we have two officers in the downtown. We would need at least 20 to deal with what is happening downtown right now”.

The following is a high-level summary of comments shared by the above listed groups who have cited encampments near their establishments:

- Employee retention and attraction;
 - Many employers find it difficult to hire staff due to the current downtown environment as employees do not want to work downtown;
 - Employers have changed working hours to ensure employees leave before evening hours;
 - A recent downtown based company is relocating to another part of Hamilton due to growing safety concerns;
 - Many office tenants are not leaving their physical office space during business working hours;
 - All major landlords have increased their security operations to address tenant safety concerns;
- Violent incidences;
 - Storefront tenants have installed button systems for entry in and out of stores due to violent interactions;

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- Employers have implemented a buddy system for employees to ensure they get to their cars safely;
- Violent persons have jumped into vehicles as employees have gotten into cars in parking lots;
- Storefront employees are being accosted at work from people looking for washrooms and/or panhandling;
- Frequent incidences where employees have been harassed and spat on;
- Hotels have received complaints from patrons of harassment. Often, these patrons are attending conferences at the Hamilton Convention Centre;
- Impacts to property;
 - All the major landlords have spent significant monies towards increased security due to vandalism;
 - Damage to properties, such as smashed windows, is occurring on a daily or weekly basis;
 - Some businesses have installed gates to ensure business entrance is not damaged and safe for employees / visitors;
 - Storefront tenants have removed merchandise to lessen theft and / or damages to property;
 - Needles and blood are found in commercial washrooms and in the alleyways behind their properties;
 - Fires have resulted from the use of propane tanks at encampments and are at times adjacent to some business properties; and,
 - Repeated thefts and break-ins.

Businesses have also reported relocating out of the Hamilton downtown core due to safety and security concerns in the downtown core. In a July 26, 2024 Global News story, Chief Justice Gabrielle St-Hilaire said “As a result of ongoing security concerns for the public, employees and members of the court, the Tax Court of Canada has made the decision to cease its operations at its current Hamilton location, permanently and effective immediately”.

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In all discussions, it was believed by those consulted that the growing cluster of encampments have contributed to an increase in harassment, panhandling, and open drug use in the downtown core. These are just some of the examples cited by workers, landlords and residents who felt uncomfortable walking and leaving work. The consensus and sentiment expressed by the downtown business community was that the core is getting worse and requires urgent attention. Some downtown landlords have reported that leases are not being renewed or tenants have requested to end their lease early due to employee safety concerns.

Impacts to Tourism and Culture Division

Revenue generating units of the City of Hamilton are also experiencing impacts from community social issues in a similar manner to Hamilton businesses. Tourism and Culture Division has identified the hard costs connected to safety, security and cleanliness issues, some of which can be directly attributed to encampments (for example Whitehern) and impacts to their revenue generation. These figures are based on actuals where possible as well as careful estimates (for example in the case of lost revenues).

Section	Description	Dollar Amount
Creative Industries & Cultural Development	Lost film revenues	\$80,000
Heritage Resource Management	Increased security costs + lost revenues	\$1,643,850
Tourism and Events	Increased event security costs	\$15,000
	TOTAL	\$1,738,850

2023 Employer One Survey

The Employer One survey is focused on collecting information relating to labour demand and general business conditions. The participation of Hamilton’s Business Improvement Areas as marketing partners on the 2024 survey allowed them to be valuable to this exercise.

The data produced during the 2024 delivery of the Employer One survey do not meet a test of statistical significance. As such the 264 partial and complete responses used in this analysis should only be seen as direct feedback from the businesses who completed the survey, The analysis should be used as a reflection of the concerns and observations of the participating businesses.

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Impacts of social issues identified on the 2024 Employer One survey included increased labour costs, recruitment difficulties of new employees, a lack of employee productivity, criminal activity and the perceived safety in the immediate area of business operators. More details can be found in Appendix “C” to Report PED24143 - 06-2024 Unsheltered and Safety Slice of Employer One.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED24143 – Encampments: Impacts on Businesses in Hamilton Survey Summary

Appendix “B” to Report PED24143 – Encampments: Impacts on Businesses in Hamilton Survey Summary - Verbatim Responses for Open Ended Questions

Appendix “C” to Report PED24143 – 06-2024 Unsheltered and Safety Slice of Employer One