



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	October 2, 2024
SUBJECT/REPORT NO:	Economic Development Action Plan 2023 Update (PED24118) (City Wide)
WARD(S) AFFECTED:	City Wide
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SIGNATURE:	
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COUNCIL DIRECTION

Not Applicable.

INFORMATION

Overview

On October 27, 2021, Hamilton City Council approved the 2021- 2025 Economic Development Action Plan (PED21001). This strategy identified six priority areas of work: facilitating a skilled and adaptable workforce; enhancing digital infrastructure and services; growing business and investments; moving goods and people; revitalizing priority areas and placemaking; building transformational projects.

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This update serves as a mid-action plan score card on The Plan’s 77 action items and its 13 stretch targets. In addition to providing an update on key metrics, this update will identify the action items that will be rolled into the 2026 - 2031 Economic Development Action Plan.

At the end of 2023, 36 of The Plan’s 77 action items were completed, with 37 in various stages of development and four awaiting initiation. Table 1 provides a high-level breakdown of these actions grouped by each Economic Development Action Plan priority area. Appendix “A” to Report PED24118, attached provides a progress scorecard on each item. Among the completed action items there are some which represent finite projects (e.g., document production or strategy creation) and others that represent ongoing work. These are noted throughout the Economic Development Action Plan Update.

Table 1. Economic Development Action Plan Action Item Score Card

Economic Development Action Plan Area	Completed as of 2023	In Development in 2023	Awaiting Start in 2023
Skilled and Adaptable Workforce	5	5	1
Enhancing Digital Infrastructure and Services	5	4	0
Growing Business and Investment	9	7	2
Moving Goods and People	6	6	1
Revitalizing Priority Areas and Placemaking	9	4	0
Building Transformational Projects	2	11	0
All Economic Development Action Plan Actions	36	37	4

Table 2a and 2b provide a high-level summary on each of Economic Development Action Plan’s stretch targets.

Table 2a. Economic Development Action Plan Stretch Target Scorecard Part 1

Stretch Target	2023 Update	Current Status
Add seven million square feet of new Industrial/Commercial space	2021 – 1,754,360 square feet added 2022 – 988,643 square feet added 2023 – 1,951,968 square feet added Total – 4,694,971 square feet added	On Target

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Stretch Target	2023 Update	Current Status
Generate a total of \$2.5 billion in Industrial/Commercial construction value	2021 – \$717,247,894 generated 2022 – \$326,145,645 generated 2023 – \$700,049,563 generated Total - \$1,743,443,102 generated	On Target
Increase new gross commercial/industrial assessment by 1.5 % per year	3.2% increase in assessment in 2021 (\$204 million) 3.4% increase in 2022 (\$284.5 million) 3.5% increase in 2023 (\$290.5 million)	Achieved Ongoing
Triple the municipal tax assessment on the Stelco lands	2021 assessment: \$42,270,000 2022 assessment: \$42,270,000 2023 assessment: \$43,905,000	Behind Target
Increase Hamilton’s shovel-ready land supply by 500 acres	2020 shovel-ready supply: 671.1 Acres 2022 shovel-ready supply: 676.3 Acres 2023 shovel-ready supply: 569.6 Acres	Behind Target
Increase immigration to Hamilton by 25% by 2025 (2019 Immigration Refugees and Citizenship Canada reported immigration admissions for Hamilton as the baseline)	5,405 immigrants to Hamilton in 2021 – a 52.3% increase on the 2019 benchmark 4,530 immigrations to Hamilton in 2022 – a 25.3% increase on the 2019 benchmark 5,815 immigrants to Hamilton in 2023 – 79.2% increase on the 2019 benchmark Average increase across 2021-2023: 40.8%	Achieved - Ongoing

Table 2b. Economic Development Action Plan Stretch Target Scorecard Part 2

Stretch Target	2023 Update	Current Status
Create and maintain a list of 1,000 living wage employers in Hamilton	2021: 255 employers self-identified 2022: 368 employers self-identified 2023: 100 employers self-identified Working list: approx. 741 employers	On Target

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Stretch Target	2023 Update	Current Status
Achieve an average ground-floor commercial storefront occupancy of 90% across the Business Improvement Areas	2021 Average of BIA Occupancy: 93.2% 2022 Average: 89.3% 2023 Average: 87.0%	Behind Target
Reduce downtown office vacancy rate to pre-pandemic levels (2019 as benchmark)	2021 Vacancy Rate: 12.9% (1.0% above the 2019 rate) 2022 Vacancy Rate: 13.3% (1.4% above the 2019 rate) 2023 Vacancy Rate: 14.5% (2.6% above the 2019 rate)	Behind Target
Invest a minimum of \$1 million in tourism development from the Municipal Accommodation Tax Program	\$1.8 million in tourism-related funding requests were approved by the Hamilton Tourism Development Corporation board on June 7, 2024.	Achieved - Ongoing
Attract five major events that generate a total combined economic impact of at least \$50 million	Seven major events attracted within the scope of the 2021-2025 Economic Development Action Plan Realized economic impact from 6 held events 2021-23: \$106,500,000	Achieved - Ongoing
Increase transit ridership to pre-pandemic ridership levels by 2023	2021 ridership (revenue rides): 9.9 million, 46.0% of 2019 benchmark 2022 ridership 15,2 million, 70.3% of 2019 benchmark 2023 ridership: 19.0 million, 88.1% of 2019 benchmark	Achieved - Ongoing (as of Q1 2024)
Generate \$1 million in direct City revenue from film production activity within Hamilton	2021: \$957,408 generated 2022: \$721,207 generated 2023: \$389,494 generated Total 2021-2023: \$2,068,109	Achieved - Ongoing

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Update on Action Items Achieved in 2023

The completed items under the facilitation of a skilled and adaptable workforce include:

- Action Item 5: In collaboration with the workforce development community, create and implement a Workforce Attraction, Retention and Development (Talent) Strategy;
 - Hamilton's Workforce Strategy was launched and completed in 2023. The strategy was approved at General Issues Committee (PED23194) on November 1, 2023;
- Action Item 11: Partner with the workforce and business community to identify employment programs, work development opportunities and initiatives in Hamilton focused on equity-seeking groups, groups disadvantaged by discrimination and marginalized communities in order to recommend future strategies to address existing needs and gaps. (Ongoing); and,
 - Staff's ongoing participation in Mohawk College's Challenge 2025 Program reflect Economic Development's commitment to supporting demand-led training that closes workforce gaps and provides employers with the resources required to meaningfully engage with Hamilton's Labour Market. Furthermore, an application to the 2024 My Main Street Program spearheaded by the Commercial Districts and Small Business Section includes a Pop-Up Market with a focus on newcomers and entrepreneurs from equity-seeking groups.

The completed items under growing business investment include:

- Action Item 29: Examine the tourism and business attraction potential of e-Gaming. (Ongoing);
 - Tourism Hamilton responded to national and provincial eGaming bodies submitting bid opportunities as they arose in 2023. Preparedness for responding to bids is expected to continue for the duration of the Economic Development Action Plan; and,
- Action Item 37: Implement a soft-landing program for international businesses wanting to establish a presence in Hamilton;
 - An updated soft-landing program employs a digital intake through investinhamilton.ca. This portal streams potential businesses into

consultations with Economic Development's Global Hamilton team. Services include program navigation, connection with community services, professional resources, and connections to coworking workspaces. Soft Landing is now embedded into Innovation Factory's Runway Program.

The completed items under moving goods and people include:

- Action Item 46: Update the Goods Movement Sector Strategy;
 - The Goods Movement Strategy was launched in 2022 and completed in 2023. The strategy was approved at General Issues Committee (PED24049) on May 15, 2024;
- Action Item 49: Engage with transportation associations, McMaster Institute for Transportation and Logistics and Fluid Intelligence Program to improve goods movement capabilities, technology and improved sustainable alternatives; and,
 - The McMaster Institute for Transportation and Logistics served as the primary author of the Goods Movement Strategy (PED24049). Additional quantitative evidence, and commensurate recommendations and action items, were generated through collaboration with Fluid Intelligence.

The completed items under revitalizing priority areas and placemaking include:

- Action Item 52: Study the short and mid-term pandemic impacts on the Hamilton office market. (Ongoing);
 - Economic Development Staff provided two reports on the downtown Hamilton office market in 2023 (PED23081 and PED23081(a)). The Reports detailed significant funding and actions to revitalize the Hamilton office market. Placemaking funding outlined in PED23081 is part of a multi-year effort to support Hamilton's office market;
- Action Item 54: Develop and implement a targeted marketing campaign for Hamilton's office market (Ongoing); and,
 - Economic Development Staff delivered three campaigns to promote Hamilton's office market in 2023. The outputs of these projects included the creation of videos and digital marketing campaigns to support the Start-Up and Office Tenant Attraction Program, and the creation of a dedicated Downtown Hamilton microsite on investinhamilton.ca. This microsite will be expanded in 2024 as staff conduct a content update on

investinhamilton.ca. The current site can be accessed at www.investinhamilton.ca/joinusdowntown/.

The achieved items under building transformational projects include:

- Action Item 61: Review and update the Environmental Remediation and Site Enhancement Community Improvement Plan;
 - In 2023, staff brought forward recommended program changes with a focus on better supporting affordable housing on brownfields, incentivizing environmentally sustainable remediation and developments, as well as supporting the overall financial sustainability of the programs. Recommendations were approved at General Issues Committee on April 19, 2023 (PED23076) and the implementing bylaws were approved by Council in June 2023. An updated Community Improvement Plan and programs came into full effect as of July 11, 2023;
- Action Item 63: Update all Commercial Market Assessments for individual Business Improvement Areas; and,
 - Commercial Market Assessments for all 11 active Business Improvement Areas were completed in 2023.

Update on Stretch Targets

Stretch Target 1: Add Seven Million Square Feet of New Industrial Commercial Space

The City of Hamilton added approximately 160,481 square feet of commercial space and 1,791,487 square feet of industrial space for a total of 1,951,968 square feet of industrial and commercial space added in 2023. During the first three years of the Economic Development Action Plan, the City of Hamilton has realized approximately 4,694,971 square feet of industrial and commercial space. This figure is 62.6% of the five-year stretch target.

Stretch Target 2: Generate a total of \$2.5 billion in Industrial/Commercial construction value.

In 2023, the City of Hamilton achieved \$143,436,427 in commercial construction values and \$556,613,136 in industrial construction values. Adding the combined \$700,049,563 to the 2022 construction value of \$326,145,64 and the 2021 construction value of \$717,247,8945 yields a total of \$1,743,443,102 between 2021 and 2023. This figure is 69.7% of Economic Development Action Plan target.

Stretch Target 3: Increase new gross commercial/industrial assessment by 1.5 % per year.

In 2023 the gross assessment of the industrial and commercial classes combined increased by \$290.5 million which is a 3.5% increase from 2022 and represents the continuation of the upwards trend in assessment growth in these property classes; assessment growth in 2021 and 2022 were 3.2% and 3.4% respectively. Some of the most notable developments include the expansion of the UPS facility, the expansion of the U-Haul facility and the new Hampton Suites Hotel. This new assessment is expected to bring additional revenue to the city of approximately \$7.7million.

Stretch Target 4: Triple the municipal tax assessment on the Stelco lands.

The former Stelco, now Slate/Steelport, lands were subject to recent severance. These lands are now assessed under two role numbers.

\$32,421,000 - 386 Wilcox Street; and,
\$11,484,000 -1055 Industrial Drive.
\$43,905,000 -Total

In addition, following the Assessment Review Board's May 2022 Decision which confirmed the assessment returned by Municipal Property Assessment Corporation for the 2018-2022 tax year appeals, the City filed a Request for Review of the Decision with the Assessment Review Board which resulted in the issuance of a Review Decision ordering a rehearing of the appeals. The City also filed an Assessment Review Board appeal for the 2023 tax year.

Stretch Target 5: Increase Hamilton's shovel-ready land supply by 500 acres.

Between 2022 and 2023 the City of Hamilton added approximately 48.7 acres of fully serviced shovel-ready land to the City's inventory. During that same period approximately 155.4 acres of land were used for building projects. As of 2023, the City of Hamilton's supply of fully serviced land across all business parks was approximately 569.6 acres.

For additional context, between 2020-2023 the City of Hamilton has added approximately 191.0 acres of fully serviced shovel-ready land to the City's inventory. During that same period approximately 292.2 acres of land were used for building projects.

Table 3. Shovel Ready Land Supply

Business Park	2022-2023 Lands Brought Online	2022-2023 Lands Utilized	2023 Shovel Ready Supply
Ancaster	0.0	23.2	60.8
AEGD	0.0	18.0	38.5
Bayfront	0.0	11.9	94.4
Dundas	0.0	0.0	0.0
East Hamilton	0.0	5.2	16.8
Flamborough	0.0	0.0	46.9
Redhill South	5.4	50.9	142.1
Redhill North	21.0	19.5	53.4
West Hamilton Innovation District	0.0	0.0	7.4
Stoney Creek	22.2	26.7	109.2
Total	48.7	155.4	569.6

Stretch Target 6: Increase immigration to Hamilton by 25% by 2025 (2019 Immigration Refugees and Citizenship Canada reported immigration admissions for Hamilton as the baseline)

Data from Immigration Refugees and Citizenship Canada, noted in Table 4, reflects Hamilton’s share of Canada’s international immigrants.

Table 4. Immigration to Hamilton

2019 Total	2020 Total	2021 Total	2022 Total	2023 Total
3,245	2,185	5,405	4,870	5,815

These data note a 79.2% increase in the 2023 immigration figures over the 2019 benchmark. The 2020-2023 average of immigration to Hamilton is a 40.8% increase over the 2019 benchmark.

Stretch Target 7: Create and maintain a list of 1,000 living wage employers in Hamilton.

In 2023 Economic Development Staff delivered the Employer One Survey (Formerly Hamilton Workforce and Business Needs Survey) in partnership with Workforce Planning Hamilton. The data collection period for this survey, which extensively leverages email marketing as its primary method of driving completions, was adversely

impacted by the Cyber Incident of 2024. As a result, only 100 additional self-identified living wage employers were identified in this process.

Since 2021, a total of 741 survey respondents have self-identified as living wage employers. With access to previous data restored, efforts to collaborate with the Ontario Living Wage Network and the Hamilton Roundtable for Poverty Reduction can resume.

Stretch Target 8: Achieve an average ground-floor commercial storefront occupancy of 90% across the Business Improvement Areas

Table 5 provides an update on the ground floor occupancy in Hamilton’s business improvement areas. The average ground floor storefront occupancy across all of Hamilton’s Business Improvement Areas was 87.0% as of the 2023 Business Improvement Area occupancy audit. 2023’s data reported seven Business Improvement Areas with occupancy above 90%.

Table 5. Business Improvement Area Occupancy Rates

2021 Average	93.2%
2022 Average	89.1%
2023 Average	87.0%

Stretch Target 9: Reduce downtown office vacancy rate to pre-pandemic levels (2019 as benchmark)

As of Fall 2023, approximately 14.5% of the Downtown Urban Growth Center’s total office square footage (for buildings with at least 5,000 square feet of office space) was vacant. Table 6 provides historical context on this vacancy, which has continued to increase since the 2019 benchmark. Economic Development Division staff are heavily engaged in ongoing discussions and collaborations with major downtown landlords to review current priorities and rental trends and provide ongoing support where possible. (Reports PED23081 and PED23081(a)). Additionally, a transformed office market following the COVID-19 pandemic is informing a methodology change with respect to how Economic Development staff measure the Urban Growth Centre’s office vacancy. This change will be reflected in the next Economic Development Action Plan update.

Table 6. Downtown Urban Growth Centre's Office Vacancy Rates

Year	Total Square Footage	Total Vacant Square Footage	Vacancy Rate
2019	5,598,287	667,720	11.90%
2020	5,645,283	705,269	12.50%
2021	5,631,982	728,670	12.90%
2022	5,196,050	690,789	13.30%
2023	5,098,307	712,229	14.50%

Stretch Target 10: Invest a minimum of \$1 million in tourism development from the Municipal Accommodation Tax Program

Collection of the Municipal Accommodation Tax begin on January 1, 2023. The Hamilton Tourism Development Corporation was established with funding commitments to begin in 2024. For additional context, the board of the Hamilton Tourism Development Corporation met on June 7, 2024, and approved a slate of tourism investments (Report No. 24001). Funding investments for approved tourism projects are to begin in 2024 and will exceed \$1.8 million by 2029.

Stretch Target 11: Attract five major events that generate a total combined economic impact of at least \$50 million.

Hamilton has attracted seven major events for the lifespan of the 2021-2025 Economic Development Action Plan:

- 2021 Grey Cup;
- 2022 NHL Heritage Classic;
- 2022 ISU World Skating Championships;
- 2022 FIFA Men's World Cup Qualifier;
- 2023 Canadian Country Music Awards;
- 2023 Grey Cup; and,
- 2024 Canadian Open.

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The four events hosted in 2021 and 2022 realized an estimated economic impact of \$21,000,000.

In 2023, the Canadian Country Music Awards realized an estimated economic impact of \$12,000,000. The 2023 Grey Cup realized an estimated economic impact of \$73,500,000.

Hamilton has now realized an estimated economic impact of \$106,500,000 within the lifespan of the 2021-2025 Economic Development Action Plan.

Stretch Target 12: Increase transit ridership to pre-pandemic ridership levels by 2023.

Table 7 breaks down the annual number of revenue-generating rides on Hamilton Street Railway between 2019 and 2023.

Table 7. HSR Annual Ridership

Year	Revenue Ridership
2019	21,659,817
2020	11,781,830
2021	9,972,964
2022	15,216,234
2023	19,092,478

Ridership in 2023 represents a 25.5% year-on-year increase in ridership. This increase was 88.1% of the pre-pandemic benchmark. Notably, February 2024's ridership was 102.1% of pre-pandemic ridership. Economic Development staff, in close collaboration with Hamilton Street Railway, will continue reporting on this stretch target on an annual basis.

Stretch Target 13: Generate \$1 million in direct City revenue from film production activity within Hamilton.

Table 8 captures the 2021-2023 direct City revenues from film production activity. In three years, the City of Hamilton has earned \$2,068,109 from film production, more than doubling the stretch target despite the negative impacts of the COVID-19 pandemic and the 2023 Writers Guild of America strike.

Table 9: Annual City Revenues from Film Production

Year	Direct City Revenues
2021	\$957,408
2022	\$721,207
2023	\$389,494

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Total	\$2,068,109
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Anticipated Outcomes on In-Process Action Items

This section provides an overview of the expected outcomes of the currently in-development action items of the 2021-2025 Economic Development Action Plan. At present, there are 36 completed action items of the 77 listed in the Economic Development Action Plan. Among the remaining 42 action items, it is expected that 25 will be completed within the life span of the 2021-2025 Economic Development Action Plan. The remaining 16 will be rolled into 2026-2031 Economic Development Action Plan either as continued action items or value statements that shape the Economic Development Action Plan, itself.

A number of these action items are ongoing activities that require collaboration across multiple levels of government and the collaboration of various industry partners e.g., emissions reduction, supporting energy retrofits, implementing district energy in Hamilton’s business parks, and addressing needs and gaps in business supports for supporting equity-deserving groups.

Some of these actions, such as Action Item 36. “Support and pursue potential funding and partnership opportunities for Hamilton industrial manufacturers to invest in emissions reduction technologies” will be perpetual tasks for Economic Development as to ensure the Division is working toward sustainable economic and ecological development.

Others are large-scale infrastructure projects, such as the Dickenson Road trunk sewer and the Dartnall Road expansion.

The roll over action items are listed in Table 10 Appendix “A” to Report PED24118 provides a breakdown of every action item including its project status and its completion/rollover status.

Table 10. Action Items to Be Incorporated into the 2026-2031 Economic Development Action Plan

9	Implement a Hamilton Collaborative Talent Zone space where industry and local partners focus on teaching and closing any skills gaps in the Hamilton workforce.
10	Apply to participate in the Municipal Nominee Program.
22	Identify opportunities to increase Social, Local and Green Procurement.
23	Update the Film By-law.
25	Update and implement the Hamilton Music Strategy.
27	Create and implement a Business Succession Planning Program Lead.

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31	Establish a local Energy Retrofit accelerator providing a one-stop portal for Hamilton businesses and residents to find local retrofit providers, suppliers, and experts.
33	Study the feasibility of establishing an agriculture, agri-food, and rural Community Improvement Plan.
38	Identify the existing and scope of business support and initiatives in Hamilton focused on equity-seeking groups, groups disadvantaged by discrimination and marginalized communities and recommend future strategies to address needs and gaps.
50	Encourage new development within the Airport and Airport Employment Growth District to incorporate District Energy Systems to reduce environmental impacts.
51	Work with Port partners to introduce environmentally sustainable options for cargo movement through container service and increased rail and intermodal operations.
69	Complete Dickenson Road trunk sewer to the Airport Employment Growth District.
70	Complete Dartnall Road extension to Dickenson Road.
72	Execute the West Harbour Re-Development Plan on the City-owned lands transforming the area into a recreational, commercial, and residential waterfront destination.
73	Explore and implement decarbonization initiatives with local industry.
77	Collaborate with Metrolinx, the impacted Business Investment Areas, and the Hamilton Chamber of Commerce on strategies and tactics to mitigate negative impacts of construction and maximizing the economic uplift benefits of the Light Rail Transit investment.

Next Steps

The current Economic Development Action Plan reaches its conclusion at the end of 2025. Following receipt of this Report, staff intend to begin preparations for an in-house production of a 2026-2031 Economic Development Action Plan.

With the 2021-2025 Economic Development Action Plan serving as a transformational strategy for the Economic Development Division, the proposed 2026-2031 strategy will work to consolidate outstanding 2021-2025 Economic Development Action Plan action items with the Council-approved work of multiple sector strategies approved during the life of the 2021-2025 Economic Development Action Plan. This harmonized document

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will leverage synergies across sectors while ensuring alignment to the established Term of Council Priorities.

The creation of this document will be supported by a collaborative engagement process with local businesses, sector experts, community members, and internal City of Hamilton stakeholders. This will ensure that emerging priorities, pressure points, and opportunities are captured within the proposed 2026-2031 Economic Development Action Plan.

Staff anticipate bringing this document to General Issues Committee for approval by the end of the 2025 calendar year. This will be a separate report from the 2024 Update on the 2021-2025 Economic Development Action Plan, which will be delivered in the second or third quarter of 2025.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED24118 – Status Update on all Economic Development Action Plan Action Items