



City of Hamilton Report for Information

To: Chair and Members
Light Rail Transit Sub-Committee

Date: April 11, 2025

Report No: PED25111

Subject/Title: Hamilton LRT Municipal Betterment Process

Ward(s) Affected: (City Wide)

Recommendations

That Report (PED25111) respecting the Hamilton LRT Municipal Betterment Process **BE RECEIVED** for information

Key Facts

- Report outlines the process for the inclusion of municipal Betterments, either enhancements or additions, in the Hamilton LRT Project.
- Provided in response to discussions, at General Issues Committee (February 12, 2025) and LRT Sub-Committee (February 20, 2025), regarding the use of the budgets established for LRT Public Realm Improvements and City Initiated Subsurface Priorities, the associated timelines, process and the role of Sub-Committee and Council.
- Proposed process aligns with Metrolinx requirements for the incorporation of discretionary municipal infrastructure into the delivery of LRT projects.
- Acknowledges the need to balance rigor and efficiency in the Third Party Scope Process while addressing time-sensitive requests, in-field requests arising during construction and requests of minor or neutral budgetary and schedule impact.

Financial Considerations

Budgets have been proactively established in anticipation that the City would choose to fund the inclusion of some City “Betterments” in the LRT Project. As identified in the report “Hamilton Light Rail Transit (LRT) Project Capital Budget Overview” (PED22202)

to General Issues Committee (November 25, 2022) staff have committed to bringing more information to Council to inform their approval of any Betterment candidates.

This report does not commit the expenditure of the monies but rather documents the process that may lead to future commitments of these funds in support of Council approved candidates for inclusion in the LRT works. The current and anticipated funds that would be available are as follows:

- Public Realm Improvements (LRT)

2023	2024	2025	Current Funds		2026	Anticipated Funds
\$0	\$3,330,000	\$3,330,000	\$6,660,000		\$3,330,000	\$9,990,000

- City Initiated Subsurface Priorities (LRT)

2023	2024	2025	Current Funds		2026	Anticipated Funds
\$1,020,000	\$3,010,000	\$3,010,000	\$7,040,000		\$3,010,000	\$10,050,000

It is not envisioned that additional fund requests would be advanced for these budgets. Dependent on the nature of an enhancement and/or addition, more appropriate funding sources could be identified. As a representative example, if a funded Capital Work within the LRT construction area was advanced through the Betterment process since it could be more effectively delivered, or less impactfully delivered with the LRT Project, staff's expectation would be that the monies identified for that Capital Work would continue to be used for delivery within the LRT Project.

Background

Betterments consist of enhancements to Base Scope items and/or additions to the Base Scope of the Hamilton LRT project.

Enabling works are not Betterments but rather Base Scope items which are being delivered by the City, in advance of major LRT construction to reduce complexities and constraints on the Alliance Partner.

Memorandum of Understanding

As identified most recently, in the report "Hamilton Light Rail Transit (LRT) Project Update (PED25052)" to LRT Sub-Committee (February 20, 2025), the following is applicable to the establishment of the works that would form the "Base Scope" of the LRT Project:

Per Article 8 of the Memorandum of Understanding, Metrolinx is responsible for ensuring that New City Infrastructure will be built:

- to the standards and guidelines for the design, construction, rehabilitation and protection of such New City Infrastructure in force in Hamilton on the date which is three months prior to the Request for Proposal issuance date and which are available upon request to engineers and architects licensed in Ontario;
- to replace existing City infrastructure and assets on a “like for like” basis with respect to function, size, capacity and location, unless otherwise provided in the Benchmark PSOS for a particular asset; and
- in compliance with the City’s laws and those federal and provincial laws applicable to and enforceable against the City.

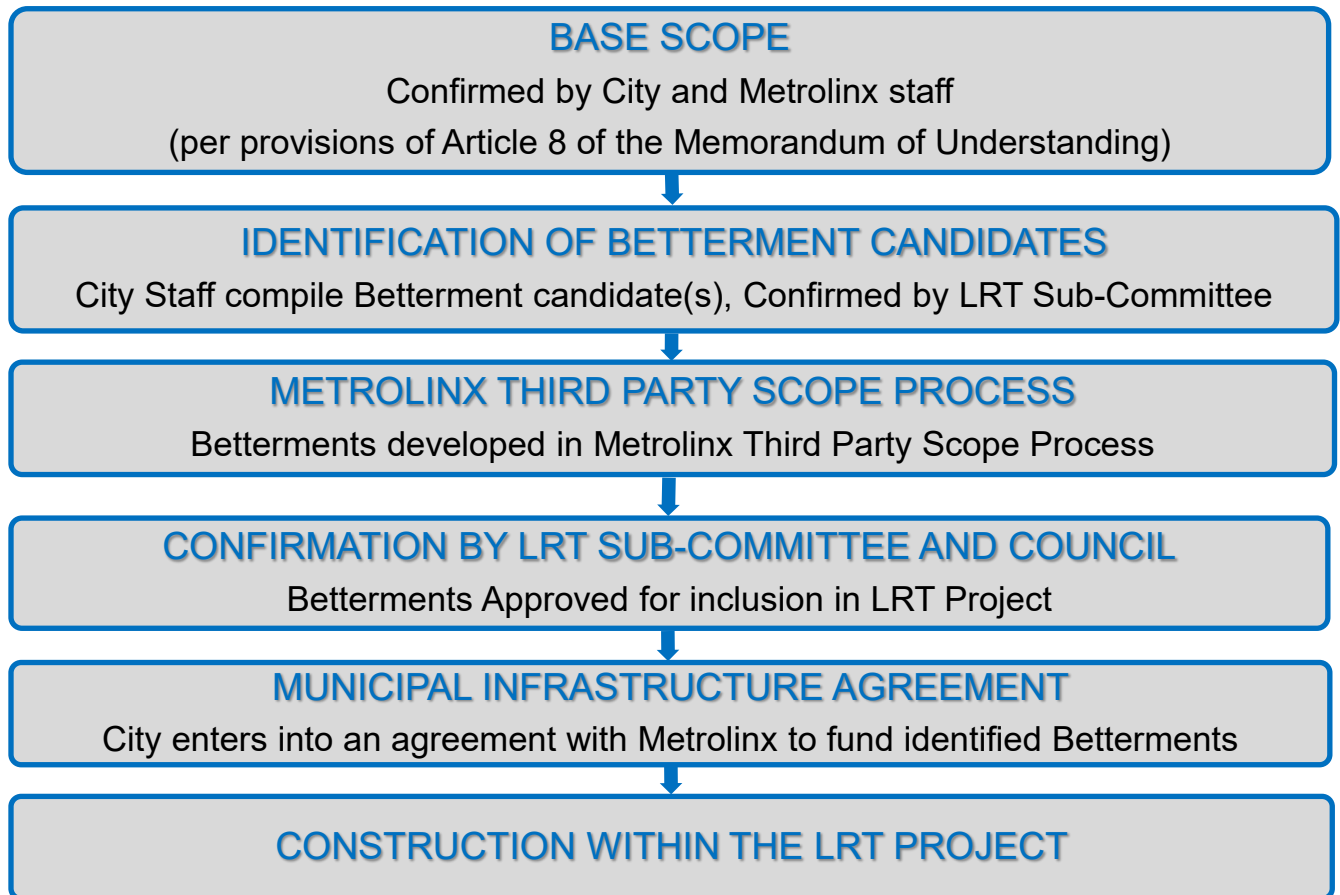
City and Metrolinx staff, in consideration of Article 8, are currently refining those works which would be the responsibility of the Project to fund and deliver. Herein these works, agreed upon by the City and Metrolinx, shall be referred to as “Base Scope”.

Per Article 9 of the Memorandum of Understanding, the City may at any time request Metrolinx to enhance the Base Scope or include Additional City Infrastructure, at the cost of the City. Herein these City requested enhancements and additions shall be collectively referred to as “Betterments”.

Betterments (Key Requirements)

The following figure provides the key requirements identifying how a Betterment progresses to construction in the LRT Project. Further details will be provided in the balance of the report to provide a more fulsome understanding of the process.

Figure 1: Betterments (Key Requirements)



Base Scope

City staff are currently negotiating base scope with Metrolinx which will inform what initiatives in the LRT corridor would require City funds for implementation.

Part of the negotiation will involve a discussion of Metrolinx commitments under Pillar 3 (Public Realm Improvements) of their Community Benefits and Supports program where they look to find ways for their projects to leave the surroundings in an improved state when construction of the project creates temporary disruptions.

Betterments

Betterments consist of enhancements to Base Scope items and/or additions to the Base Scope of the Hamilton LRT project.

Candidates for Betterments, advanced by City staff and approved by LRT Sub-Committee, will be developed in Metrolinx’s Third-Party Scope Request Process after which they will be brought forward to LRT Sub-committee and Council for approval. The ratified candidates will be delivered in the LRT project and are subject to the City

entering into a Municipal Infrastructure Agreement with Metrolinx, which obligates the City to fund those Betterments.

Where the Betterment is an addition of scope it will be fully funded by the City. If the Betterment is an enhancement of a Base Scope item the City is only obligated to fund the incremental cost.

Metrolinx Third-Party Scope Request Process

Metrolinx has established a multi-step process for the City and other parties seeking to have Betterments to the base scope delivered with the LRT Project. Metrolinx reserves the right to reject any additional scope request which impacts schedule or other commercial considerations.

The City is responsible to enter into an agreement and commit to reimburse Metrolinx for staff and consultant costs incurred in their investigations, analysis and/or development of the Betterment. Termination of the scope process by either City and/or Metrolinx does not change the requirement for the City to fund these costs. The costs will be inclusive of administrative charges and non-recoverable HST.

Metrolinx reserves the right to reject additional scope requests at any stage of the development of the Betterment where implementation would adversely impact the project. City retains the obligation to reimburse all costs incurred, inclusive of identified markups, if the initiative does not proceed to construction.

Municipal Infrastructure Agreement

Where the City chooses to proceed with a Betterment developed through the Third-Party Scope Request Process, the City will enter into a Municipal Infrastructure Agreement with Metrolinx. In the agreement, the City will confirm the availability of funding for the Betterment and commit to funding the actual construction costs inclusive of charges for design, administration, inflation, financing, non-recoverable HST and risk related contingencies.

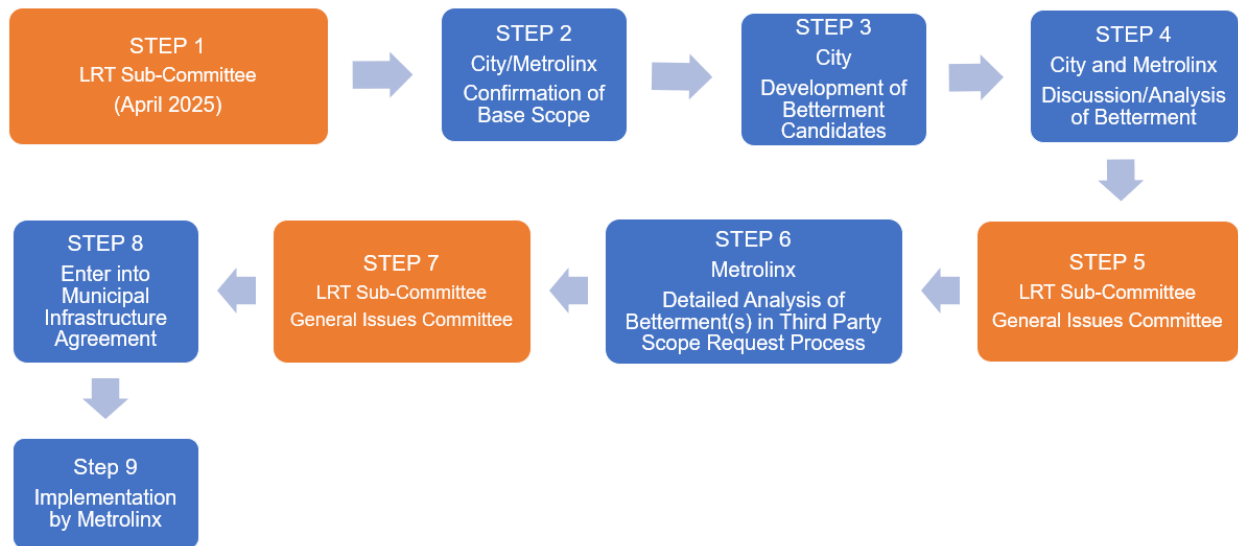
The City and Metrolinx are currently discussing the terms of the Municipal Infrastructure Agreement template.

Municipal Betterment Process

Aligning with the key requirements identified in Figure 1, City staff have developed a customized Municipal Betterment process for the Hamilton LRT Project which enables staff to thoroughly investigate and evaluate each Betterment item and receive input and approval from the LRT Sub-Committee and Council before committing construction funding.

Figure 2 provides a chronology of the City and Metrolinx processes, with LRT Sub-Committee and Council milestones, involved with the advancement of Betterment(s) from the initial identification of Base Scope by the City and Metrolinx, to potential recommendation(s) from City staff that Council approve and fund the inclusion of the works in the LRT corridor.

Figure 2: Municipal Betterment Process



Step 1 - LRT Sub-Committee April 11, 2025

Initial appraisal of the anticipated workflows, processes, criteria, touch points and approvals to be employed in the advancement of a City Betterment to construction in the LRT corridor by Metrolinx’s contractor, the Alliance Partner.

Start of a dialogue between City staff and members of the LRT Sub-Committee on the recommended approach with the goal of improving effectiveness and transparency.

Step 2 - City/Metrolinx Confirmation of Base Scope

City staff are currently negotiating base scope with Metrolinx which will inform what initiatives in the LRT corridor would require City funding for inclusion in the LRT Project. The three fundamental conditions, regarding new city infrastructure, in the Memorandum of Understanding will be applied.

Base Scope identifies requisite components to be addressed by the Alliance Partner in the Development and Implementation phases of the LRT Project at no cost to the City.

Step 3 - City Development of Betterment Candidates

Upon finalization of base scope, the LRT Project Office and staff dedicated to the project will work with City service areas to identify Betterment candidates.

Preliminary Betterment costs will be developed in consideration of Development Charges, Rate and Tax Supported funds available. Dependent on the nature of an enhancement and/or addition, more appropriate funding sources could be identified.

Step 4 - City and Metrolinx Preliminary Analysis of Betterment

Betterment candidates confirmed by the City would be discussed in general terms with Metrolinx commercial and internal technical staff in order to flag potential issues,

feasibility and provide a basic understanding of the level of effort to advance them further in the non-binding Third Party Scope Request process. It is not the intent that the City would incur costs for these preliminary tasks.

Pillar 3 of Metrolinx's Community Benefits and Supports speaks to finding ways to leave the Public Realm in an improved state after construction. City and Metrolinx staff would review the Betterment candidates to identify possible synergies with this pillar.

Preliminary level of effort identified would facilitate an understanding of the budget and schedule required to advance the initiative. City staff would perform their own due diligence analysis concurrent to this.

Step 5 - LRT Sub-Committee / General Issue Committee

Discussion of the Betterment candidates in general terms and the rationale supporting further development of each Betterment candidate. Order of magnitude costs would be identified to advance the initiative through the Third Party Scope Request process and to fund construction (should the Betterment be approved in Step 7).

Opportunity for Committee members to request further details from staff and provide feedback.

Report will request approval:

- to further study identified Betterments in the Third Party Scope Request Process
- of the expenditures required to fund their development
- of the finalized workflows, processes and criteria to be employed in the advancement of the Betterments
- for the establishment of a discretionary amount of monies from each of the LRT Public Realm Improvements and City Initiated Subsurface Priorities budgets to fund the expeditious review of Betterment candidates identified by staff in the future

Step 6 - Metrolinx Detailed Analysis of Betterment in Third Party Scope Request Process

City enters into an interim agreement with Metrolinx confirming which Betterment candidates approved by LRT Sub-Committee in Step 5 require additional study and commits to fund the costs required for their development.

The agreement will specify a limited scope of work for Metrolinx's consultant or the Alliance Partner to refine costs, advance the design and/or provide a detailed understanding of schedule and construction impacts. The works will be administered by Metrolinx.

Metrolinx reserves the right to reject additional scope requests at any stage of the development of the Betterment where implementation would adversely impact the project. City retains the obligation to reimburse all costs incurred, inclusive of identified markups, if the initiative does not proceed to construction.

City would complete their own due diligence investigations as required.

Step 7 - LRT Sub-Committee / General Issue Committee

Prior to meeting with the LRT-Sub-committee, staff will measure the Betterment candidates against the 2022-2026 Council Priorities, Outcomes & Measures of Success and any other criteria in the finalized evaluation process. This analysis will be used to generate a list of Betterments candidates with updated rationale supporting their implementation in the LRT project. Refined construction costs and projected operation costs, where applicable, would be identified as well as any future construction requirements.

Where the Betterment is the addition of scope it will be fully funded by the City. If the Betterment is an enhancement of a Base Scope item the City is only obligated to fund the incremental cost.

Opportunity for Committee members to request further details from staff and provide feedback.

Report will request approval:

- to implement the identified Betterments in the LRT Project in whole and part
- of the expenditures required to fund their implementation
- to use of the Public Realm Improvements and City Initiated Subsurface Priorities budgets or other identified funding sources
- to execute a Municipal Infrastructure Agreement for the Betterments

Where the value of recommended Betterments exceeds the budgeted amounts, staff will identify options that fit within the budget(s). Alternately staff may recommend alternate funding sources or increases to the budgets.

Step 8 - Enter into Municipal Infrastructure Agreement

City will enter into a Municipal Infrastructure Agreement with Metrolinx in which the City will confirm the availability of funding for the Betterment and commit to funding the actual costs of its construction, the identified overhead costs and risk related contingencies.

Agreement will be inclusive of expected construction scheduling, invoicing specifics and other terms and conditions.

Step 9 - Implementation by Metrolinx

Metrolinx's Alliance Partner will complete the detailed design for the corridor and the Betterments will be constructed with the LRT Project.

Compliance with the agreement will be monitored by all parties. Revisions to the agreement, while unexpected, would require the consensus of all parties.

Draft Evaluation Approach

Staff are seeking to refine the draft evaluation approach for Betterment candidates described herein, in consultation with the City's LRT Steering Committee and the LRT

Sub-Committee. As outlined above, staff would provide a finalized evaluation approach to the LRT Sub-Committee for approval in Step 5.

Alignment with Council Priorities, Outcomes & Measures of Success

The identification and evaluation of candidates for funding as municipal Betterments will be based on 2022-2026 Council Priorities, Outcomes & Measures of Success, located at <https://www.hamilton.ca/city-council/council-committee/2022-2026-council-priorities-outcomes-measures-success> themselves being aligned with the City's:

- 2021-2025 Economic Development Action Plan
- 2016-2025 Strategic Plan

Candidates brought forward for Council approval in the future, will collectively address one or more of these priorities:

Council Priority 1: Sustainable Economic & Ecological Development

- Reduce burden on residential taxpayers
- Facilitate Growth of Key Sectors by enhancing City's reputation as a centre of Culture, Sport and/or Tourism
- Accelerate our response to Climate Change (Resilience and/or Readiness)

Council Priority 2: Safe and Thriving Neighbourhoods

- Ensure people can safely move about by foot, bike, transit and car by increasing Accessibility, Mobility and/or Road Safety.

Council Priority 3: Transparency and Responsiveness

- Modernize City Systems through the Implementation of the City's Digital Strategy

Inclusion, Diversity, Equity, Accessibility and/or Climate Justice

Staff will confirm that Betterments were developed and reviewed with consideration of Climate Justice, Inclusion, Diversity, Equity and/or Accessibility

Delivery of Betterment

A Betterment could, upon further study and certain unique parameters be recommended for delivery by the City in advance, after and during LRT construction by the Alliance Contractor, while being separated by time or distance such that the schedule and/or cost of the LRT project is not impacted and Constructor issues are not created.

Disruption to Neighbourhood, Businesses and the Transportation Network

Disruption to the Neighbourhood, Businesses and the Transportation Network will be balanced with the Burden on Residential Taxpayers in recommending whether delivery by the City or Metrolinx is recommended.

City Costs

The review will consider the construction costs of the Betterment, any future construction costs required in addition to the Operations and Maintenance costs.

Location (Land Ownership)

Betterments not located in City lands will be specifically identified.

Asset Ownership

Betterments consisting of an enhancement to non-municipal infrastructure will be specifically identified.

Other Considerations

The application of weighting factors and/or scoring in the identification and evaluation of Betterments is currently under consideration by staff, subject to the input of the LRT Sub-Committee.

A draft evaluation template for Betterment candidates is provided in Appendix A: "Draft Evaluation for Municipal Betterments". This evaluation approach will be further refined and the finalized evaluation will be presented in Step 5.

Representative Process Example

Staff identify increasing the number of Hamilton Bike Share Hubs in the corridor, where the desired complement of HSR transit shelters has already been included and available space permits, as desirable.

The Betterment is in alignment with:

Council Priority 2: Safe and Thriving Neighbourhoods

- By ensuring people can safely move about by foot, bike, transit and car by increasing Accessibility, Mobility and/or Road Safety.
- Benefitting parties (Cyclists and Transit Customers)

Since Hamilton Bike Share Hubs can be installed with and without electrical feeds both options could be given consideration as Betterment candidates. Staff would perform a tabletop exercise to determine which option(s) would proceed to Metrolinx's Third-Party Scope Request Process.

Upon completion of Metrolinx's Third-Party Scope Request Process, staff would prepare a report for Council consideration which could provide multiple courses of action for the Hamilton Bike Share Hubs along with the recommended option:

- Fund construction of the hubs with electrical feeds in the LRT Project.

- Fund construction of electrical feeds in the LRT Project and City installation of the hubs after or coordinated with LRT construction
- Fund installation of hubs without electrical feeds in the LRT Project.
- Fund City installation of hubs after or coordinated with LRT construction

The report prepared would also provide details that would help inform the decisions of the LRT Steering Sub-Committee, General Issues Committee and Council.

Analysis

The Betterment process outlined in this report aligns with the Memorandum of Understanding and Metrolinx’s standard procedures for municipalities and agencies. This process is particularly suited for Betterments identified early in the project lifecycle.

City staff have identified a need for the Third Party Scope Request Process to balance rigor and efficiency while addressing time-sensitive requests, in-field requests arising during construction and requests of minor or neutral budgetary and schedule impact.

Alternatives

Alternatives will be developed and provided for the consideration of the LRT Sub-Committee and Council in future reports.

Relationship to Council Strategic Priorities

The report proposes the use of 2022-2026 Council Priorities, Outcomes & Measures of Success | City of Hamilton as outlined in the *Alignment with Council Priorities, Outcomes & Measures of Success* section on page 9.

Previous Reports Submitted

- [“Hamilton Light Rail Transit \(LRT\) Project Memorandum of Understanding”](#) (PED21176/CM21012/LS21034) to General Issues Committee (Sept. 8, 2021)
- [“Hamilton Light Rail Transit \(LRT\) Project Update”](#) (PED25052) to LRT Sub-Committee (February 20, 2025)
- [“Hamilton Light Rail Transit \(LRT\) Project Capital Budget Overview”](#) (PED22202) to General Issues Committee (November 25, 2022)

Consultation

LRT City Steering Committee

LRT City Core Working Team

Metrolinx

Appendices and Schedules Attached

Appendix A: Draft Evaluation for Municipal Betterments

Prepared by: Chris McCafferty, Manager of Design (LRT)
Planning & Economic Development, LRT Project Office

Submitted and recommended by: Abdul Shaikh, Director - LRT Project Office
Planning & Economic Development, LRT Project Office