



## City of Hamilton Report for Consideration

**To:** Mayor and Members  
General Issues Committee

**Date:** September 15, 2025

**Report No:** PW25040

**Subject/Title:** HSR Next: Moving Hamilton Forward  
**(Outstanding Business List)**

**Ward(s) Affected:** City Wide

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### Recommendations

- (a) That the General Manager, Public Works, and/or their designate, **BE AUTHORIZED** and **BE DIRECTED** to take all necessary steps to implement HSR Next: Moving Hamilton Forward, including:
- (i) Reporting back to the Public Works Committee annually as part of the budget process for adoption of capital and operating budgets required to complete the implementation of HSR Next as outlined in the Financial section of this report;
  - (ii) Leveraging the City's annual allocation of the Canada Community Benefits Fund of \$3 million dollars as well as the annual allocation of \$700,000 in capital block funding to fund capital costs for HSR Next; and,
  - (iii) Applying for any transit-related funding programs, new or existing, from other government partners which will offset either capital or operating costs on the tax-supported levy and advance the implementation of HSR Next;
- (b) That the Transit Service Standards as outlined in Appendix "B" attached to Report PW25040 **BE APPROVED** and phased in during annual service changes;

- (c) That the Corporate Real Estate Office **BE DIRECTED** and **BE AUTHORIZED** to secure all the property requirements as detailed on page 18 in Appendix “A” attached to Report PW25040 to implement infrastructure improvements required for HSR Next, including the use of expropriation as required, subject only to available funding and in accordance with City policy, and:
- (i) That the City Solicitor complete all related necessary transactions on behalf of the City; and,
  - (ii) That the Mayor and City Clerk, or their designate, execute all necessary agreements, together with all necessary ancillary documents, in relation to the foregoing, on behalf of the City; and,
- (d) That the City Manager **BE DIRECTED** to advocate for funding from the Provincial government for capital costs required for transit infrastructure (hubs and stops) and seek an increase in provincial funding to support the ongoing operating costs of implementing HSR Next, a system designed to move Hamiltonians more efficiently, ensure the viability of the Hamilton Light Rail Transit project and support inter-regional travel.

## Key Facts

- At the April 3, 2023 Public Works Committee meeting, the Transit Division presented (Re)envision the HSR – the (re)Designed HSR Network Report (PW23021) and staff were directed to report back on a phasing and implementation plan for the concept network.
- In May of 2024, the Transit Division hired Arcadis Professional Services (Canada) Inc. (Arcadis) through a competitive Request for Proposal process to develop a phasing plan, review industry best practices and service standards for the redesigned network. In March of 2025, Arcadis produced their final recommendation report (see Appendix “A” attached to Report PW25040).
- **HSR Next: Moving Hamilton Forward** is the implementation plan that will bring the (re)Designed network to life over the timeframe of 2026 – 2032. It is comprised of multiple components, including:
  - Builds out the BLAST<sup>X</sup> rapid route network, offering 10-minute service during peak travel periods on 6 routes;
  - 567,860 additional hours of transit service, or an increase of 55.4%;
  - 450 new full-time employees to support transit operations;
  - \$120 million in total capital costs to buy and maintain sufficient vehicles and transit infrastructure like bus stops and transit hubs;
  - \$88.3 million in gross operating costs, or \$59.2 million additional net operating costs, including staffing and daily costs; and
  - Improved Transit Service Standards to increase access, equity and the customer experience.

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## Financial Considerations

Implementing HSR Next will have financial impacts on the tax-supported levy and will leverage available funding from senior government partners for capital projects as appropriate. The costs for HSR Next will be included in multi-year forecasts and staff will confirm annually the specific resources required to implement HSR Next for adoption in the capital and operating budgets as appropriate.

### Capital Cost Impacts

Capital costs for HSR Next are made up of both buses and transit infrastructure, like transit hubs and bus stop amenities such as shelters.

#### Buses

79 new buses are needed to fully implement HSR Next. Buses have been right sized to meet route type and ridership demand.

Bus purchases must be made at least 18 months prior to going into service to allow for manufacturing and delivery time. Bus purchases are grouped together to accommodate order lead times and are shown in Table 1: HSR Next Capital Costs (Vehicle Costs & Infrastructure Costs). These new buses are required to grow service and do not include on-going end of life fleet replacement. The cost of the additional buses is estimated at \$86.9 million and is fully funded through remaining funds in the Investing in Canada Infrastructure Program and the City's transit vehicle reserve funds.

#### Transit Infrastructure

HSR Next requires both off-street hubs and on-street hubs to facilitate transfer connections and multi-bus route stops as detailed on Page 7 of Appendix "A" attached to Report PW25040. Off-street hubs are bus terminals located on property outside the right-of-way, typically as a standalone terminal like the current Eastgate Terminal near Centennial Parkway and Queenston Road. On-street hubs are bus terminals located within the right-of-way with enhanced shelters and wayfinding, informed by National Association of City Transportation Officials designs for on-street bus terminals.

Building six off-street hubs on property owned by the City represents 76% of total infrastructure costs associated with HSR Next, with the largest spend required in Year 1 (Fall 2026) as hub work begins in preparation for the service changes in future years. Infrastructure costs are estimated at \$32.7 million. Funding comes from \$2.5 million in remaining Investing in Canada Infrastructure Program funds, \$3 million annually from the Canada Community Building Fund and will require \$700,000 annually from Capital Block funding. Infrastructure costs of \$664,000 related to bus stop and hub development do not have an available funding source and may require debt financing.

Table One: HSR Next Capital Costs (Vehicle Costs & Infrastructure Costs)

<b>Vehicle Costs (000s)</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>Total</b>
Small Buses	8	0	11	18	0	0	0	0	<b>37</b>
Articulated Buses	20	0	13	0	0	0	9	0	<b>42</b>
Total Buses	28	0	24	18	0	0	9	0	<b>79</b>
Estimated Cost	32,764	0	26,564	13,952	0	0	13,643	0	<b>86,923</b>
<b>Less: Available Funding</b>									
Inv Can Infra Program (ICIP)	(24,867)	0	0	0	0	0	0	0	<b>(24,867)</b>
Vehicle Reserve Funding	(7,897)	0	(26,564)	(13,952)	0	0	(13,643)	0	<b>(62,056)</b>
Total Funding	(32,764)	0	(26,564)	(13,952)	0	0	(13,643)	0	<b>(86,923)</b>
Vehicle Cost Variance	0	0	0	0	0	0	0	0	<b>0</b>
<b>Infrastructure Costs (000s)</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>Total</b>
Hubs	3,153	9,236	3,559	4,800	269	5,113	0	0	<b>26,130</b>
Bus Stops	0	1,071	707	568	3,092	182	995	0	<b>6,615</b>
Estimated Cost	3,153	10,307	4,266	5,368	3,361	5,295	995	0	<b>32,745</b>
<b>Less: Available Funding</b>									
Inv Can Infra Program (ICIP)	(1,397)	(378)	(156)	(197)	(123)	(194)	(36)	0	<b>(2,481)</b>
Capital Block	(700)	(700)	(700)	(700)	(700)	(700)	(700)	(700)	<b>(5,600)</b>
Can Comm Build Fund (CCBF)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	<b>(24,000)</b>
Total Funding	(5,097)	(4,078)	(3,856)	(3,897)	(3,823)	(3,894)	(3,736)	(3,700)	<b>(32,081)</b>
Debt/Repayment	1,944	(6,229)	(410)	(1,471)	462	(1,401)	2,741	3,700	<b>(664)</b>

### Operating Cost Impact

HSR Next significantly expands transit service as Hamilton responds to continued population and employment growth in the City. Over the course of HSR Next, service hours are expected to increase by 55.4%, or 567,860 hours, requiring an additional 450 full-time employees.

- Table 2 provides annualized net incremental operational impacts resulting from HSR Next relative to the 2025 approved budget. Each year reflects the incremental spend over the year prior based on the increase in service hours for each year.
- Overall, HSR Next requires \$59.2 million in net operating costs reflecting a 4.6% estimated levy impact by the end of the plan.
- The Fare Revenue forecast assumes an average of 5% increase in ridership year over year and uses the existing Council-approved Fare Policy.

- Total Costs are those that are impacted by increasing service hours and are comprised of all staffing costs, training costs, fleet maintenance, building maintenance, insurance, commission costs for PRESTO, marketing and advertising, fare media, general office, fuel and the annual transfer to vehicle reserve account.
- The costs below have been annualized to reflect service improvements beginning in the Fall of each year.
- Costs and revenues have been escalated annually for inflation, (estimated at 2% annually).

Table Two: Annualized Net Incremental Operating Cost Impact

	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL
Service Hours (000s)	20	114	120	102	64	89	58	-	568
Linked Trips Forecast (000s)	334	934	1,916	1,916	1,599	1,830	1,906	1,140	10,435
Net New Transit Division FTEs	37	94	93	72	48	65	41	-	450
<b>INCREMENTAL OPERATING REVENUES</b>									
Fare Revenue	\$769	\$2,282	\$4,638	\$4,713	\$4,022	\$4,727	\$4,951	\$2,953	\$26,101
<b>INCREMENTAL OPERATING EXPENDITURES</b>									
TOTAL COST	(\$2,158)	(\$9,396)	(\$17,736)	(\$16,409)	(\$13,118)	(\$11,936)	(\$11,555)	(\$5,970)	(\$88,278)
<b>INCREMENTAL NET OPERATING SPENDING</b>									
Net Municipal Spend	(\$1,389)	(\$7,115)	(\$13,098)	(\$11,697)	(\$9,096)	(\$7,209)	(\$6,603)	(\$3,017)	(\$59,224)
Est. Levy Impact	0.11%	0.55%	1.01%	0.90%	0.70%	0.55%	0.51%	0.23%	4.56%

### FTE Impact

To implement HSR Next, 450 additional full-time equivalent staff (“FTE”) will be required over the seven-year timeframe and are accounted for in Table 2: Net Incremental Operating Cost Impact. This includes both front line staff (examples: bus operators, maintenance technicians), administrative staff (examples: project managers, clerks), supervisory staff (examples: superintendents, supervisors, managers) and leadership positions.

### Background

Council directed staff to report back on a phasing and implementation plan to implement the concept network presented in Report PW23021. HSR Next: Moving Hamilton Forward is built on the technical work completed by McMaster University and the City’s the Voice of Customer surveys, including current and potential transit users, and reflects the growth and development of Hamilton as a growing city.

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## Analysis

Prior to beginning any work on an implementation plan, Transit staff sought additional public consultation on the concept network between April and September 2023. Based on feedback received, minor adjustments to the network were made in Stoney Creek and Waterdown to improve transit reach and connectivity.

To support the HSR Next implementation plan, a consultant was brought in through a competitive process. Arcadis led a series of workshops with City staff across Planning and Economic Development, Public Works, and Healthy & Safe Communities to guide the Plan's development. Feedback gathered through these workshops informed the final phasing and implementation plan contained in this report. Full details on phasing and implementation are available in the report prepared by Arcadis, attached as Appendix "A" to Report PW25040.

Arcadis also reviewed current service standards approved through Report PW14015(a) and recommended changes based on industry best practices that will enhance the overall experience and drive ridership by creating a system that is fast, frequent, and reliable. The recommended Transit Service Standards are set out in Appendix "B" attached to Report PW25040. All costs associated with realizing these service standards are built into HSR Next as new routes come online over time.

Upon review of the Arcadis report, Transit staff noted a need to adjust Arcadis' calculations to reflect updated investments in Year 8 of the 10-Year Local Transit Strategy (2024 approved budget, implemented in Fall 2024) and Year 9 of the 10-Year Local Transit Strategy (2025 approved budget, scheduled for implementation in Fall 2025). Arcadis was provided with starting figures as of Spring 2024. Staff figures presented in this report were adjusted to capture increased service hours and FTE relative to the original dataset to reflect current state as approved through the budget process.

HSR Next delivers a long-awaited network restructuring designed to:

- Meet the future needs of a rapidly growing city by offering fast, frequent, and reliable transit for all Hamiltonians.
- Revamp the conventional transit network to maximize connectivity with the Hamilton Light Rail Transit project.
- Recognize Hamilton's place in the Greater Toronto and Hamilton area and the Golden Horseshoe, and improve regional transit connectivity, particularly at West Harbour and Confederation GO stations.

The proposed network is based on changing travel patterns, stated preferences for the transit network, and significant growth projected for Hamilton. It also delivers on the BLAST<sup>x</sup> network, providing Hamiltonians access to rapid transit with 6 express routes operating every 10 minutes during peak travel times (7:00am – 10:00am and 3:00pm – 8:00pm on weekdays).

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## **Preparing for Growth and the Need for a New Transit Network**

The City's Official Plan anticipates a city of 820,000 people and 360,000 jobs by 2051. The province recently directed municipalities to plan for higher levels of growth with the update of the Provincial Planning Statement in October 2024 and again in August 2025, meaning that Hamilton must plan for a population of 853,000 people by 2051.

Growth is not projected to occur evenly across Hamilton. The fastest-growing areas for population and employment are found primarily at the edges of today's urban transit area and in the urban core. Service increases are matched to key growth areas and the patterns of travel generated there, routed around new transit terminals and hubs in key growth and trip generating areas.

Travel between these areas will grow over the next three decades. Ensuring transit captures a larger portion of these added trips is critical to meeting the City's transit mode share goal of 12% of all trips by 2031, as set out in the City's Transportation Master Plan. Hamilton is making progress on these goals, even with the impacts of the pandemic – of the ten largest census metropolitan areas, Hamilton was one of only two that increased its transit commuting mode share between 2016 and 2024 (Statistics Canada, 2024).

Shifting growth to transit will help mitigate increased congestion resulting from growth. Investing in transit also means that less expenditures are required to widen roads beyond what is currently planned and takes into consideration that most roads in the urban area cannot be widened due to existing development.

The recommended network of HSR Next best meets Hamiltonians' expectations for transit service as it prepares for growth. Hub-to-hub travel makes transit commuting trips to workplaces outside the core feasible, while also increasing the viability of discretionary travel by eliminating transfers along the customer journey. This is a major influencer of mode choice and was a resounding theme through all public engagement exercises.

## **Enhanced Access with the HSR Next Network**

HSR Next provides for enhanced access for Hamiltonians when the present-day network is compared to the future-state HSR Next network of 2032. Improvements in service level are evidenced by tracking changes in where people can easily go by bus, reflecting how well the transit network connects people and businesses to opportunities. As access increases, people can get to more workplaces, stores, and services, making transit more competitive with other travel modes. When travel time by bus is closer to the time it would take to get there by car, it also becomes a more competitive choice.

HSR Next makes it easier for employees to choose transit for their commute. The metric "access to employment within 45 minutes by transit" describes how many jobs a Hamiltonian can reach with a 45-minute travel time. In Fall 2024, the average Hamiltonian could reach 61,000 jobs during weekday peak hours (8:00 AM) and 52,000 jobs at peak weekend service (12:00 PM). At full implementation, HSR Next increases the number of jobs reachable during weekday peak hours by 11.5% and 13.5% during weekend peak hours.

HSR Next answers the call from businesses and major employers to improve transit to help employees get to work. The metric “access to population within 45 minutes by transit” reflects labour and customer catchment for businesses, as well as social opportunities for residents. In Fall 2024, the average Hamiltonian could reach 150,000 other Hamiltonians during weekday peak hours and 120,000 during weekend peak hours. At full implementation, HSR Next increases the number of people reachable during weekday peak hours by 12.3% and 19.4% during weekend peak hours.

While HSR Next improves network connectivity overall, the level of improvement varies across the city. This captures the shift away from the old “hub and spoke” model, where all routes go downtown, to the hub-based model, which focuses on connecting major districts. Growth in access by transit is strongest in key growth areas like Waterdown, Stoney Creek, Ancaster, the Airport Employment Growth District, and Heritage Green, which aligns with where big improvements in service are made.

At the same time, some reduction in access is observed for the core where multiple routes overlap as they approach Frank A. Cooke Transit Terminal. In Dundas, customers will need to transfer to the LRT at McMaster once the line comes online, replacing direct service today. This can be mitigated by increasing service on the LRT in future.

Further details, including a demographic scan of impacts, is provided in Appendix “D” attached to Report PW25040.

### **Supporting Growth in the Transit Division to Ensure Success**

Arcadis undertook a leadership review of the Transit Division compared to other transit agencies to identify gaps as a part of the overall HSR Next assignment through Leading Mobility, their subcontractor. Leading Mobility reviewed the current and planned state of the Transit Division and assessed it against peer agencies from across Canada and their findings and recommendations have been provided to the General Manager of Public Works, in consultation with the Executive Director of Human Resources, for 2026 and beyond. The Arcadis report also provides suggestions on better aligning workflow which can be undertaken by Transit staff and Human Resources through reviewing job descriptions and by conducting job evaluations.

In the past seven years, Transit’s approved complement has grown by more than 20%, from 761 FTE in 2019 to 912 in 2024. In that time, the Division has also expanded to approximately one million hours of service, been awarded \$500 million worth of Investing in Canada Infrastructure Program funding for expansion projects and LRT integration.

Transit is now less than a year away from opening its second operations, maintenance, and storage facility, a significant milestone in the division’s growth. Transit will grow by a further 450 FTE over the course of HSR Next, a further 50% increase in division size. With this growth comes the need to review and respond to workflow design to ensure appropriate organizational structure is in place to achieve the desired outcomes.

The General Manager, Public Works, in consultation with Transit leadership and Human Resources, recently reviewed the Division and determined that 2 new managers would

be necessary for proper oversight of the second operations, maintenance and storage facility. Accordingly, these positions were included in the approved 2025 budget alongside a new section (Business Initiatives) and sectional Director (Director, Business Initiatives), reporting to the divisional Director (Director, Transit). This realignment is the first step in restructuring the Transit Division.

### **User Fees (Fare Revenue)**

The City's current Fare Policy, established through the 10-Year Local Transit Strategy Report PW14015(a), calls for an annual increase equivalent to the Consumer Price Index (CPI), this policy has been used to determine revenue levels for HSR Next, historical CPI levels of 2% were used for the forecast.

At time of writing, Transit has one year remaining of its Fare Assist pilot program and Finance & Corporate Services is actioning the 2024 Tax Supported User Fees Report (FCS24003) requiring a review of Transit user fees, with expected completion for approval in Summer 2026. Because of these concurrent explorations, no other changes to fare structures are being proposed currently.

### **Financial Risks and Mitigations**

As with any multi-year plan, it is developed without foresight of the status of all known sources of funding. Careful monitoring of funding through the annual budget process will be critical. Additionally, Transit will actively seek additional funding sources as they become available over the lifespan of this plan.

Deadlines for funding must be carefully observed to meet the timelines set out in the funding requirements to ensure that the City can maximize its annual allocation.

Cost increases in capital expenditures, like buses and hubs, will be subject to inflationary pressures and market conditions, including potential tariffs from the United States. These conditions will also be monitored over the life of the plan, with mitigation strategies employed where possible.

### **Other Information**

Responses to the recommendations about the Transit Urban Boundary and Bus Wrap advertising contained in Report PW23021, along with supplemental information regarding Area Rating are included in Appendix "E" attached to Report PW25040.

## **Alternatives**

### **Alternative 1**

Council could choose to extend the implementation time period. As part of the consultant assignment, a ten-year implementation plan was also developed at high level. A ten-year implementation would make no changes to the overall network structure or its end state; however, it will reduce the annual incremental costs as they are now spread over more years.

Lengthening implementation will have negative impacts on customers and integration with the Hamilton LRT. The current implementation plan is designed to minimize impacts to customers by avoiding service gaps and making changes to the same area multiple times. This goal cannot be achieved when stretching changes over a longer period. Given the potential for a negative customer experience, extending the implementation timeline is not recommended.

## **Alternative 2**

Council could choose not to support the implementation of the HSR Next plan. Not proceeding with implementation of the HSR Next network will negatively affect City priorities, particularly Council Priority 2.1.

Staff do not recommend this option for the following key reasons:

- Without HSR Next, Hamilton Transit will not be aligned to future LRT service, reducing the effectiveness of Hamilton LRT in meeting ridership and mode share goals.
- Today's network is not suited for strong growth in outlying areas of Hamilton, making it more difficult for newcomers to choose transit on arrival.
- Increasing transit use is a key priority in the City's Transportation Master Plan.
- Expanding transit service is the most financially effective climate action in Hamilton's Community Energy & Emissions Plan.

## **Relationship to Council Strategic Priorities**

HSR Next: Moving Hamilton Forward delivers on Council priorities for city-building, and to continue to develop a transit-system that meets the needs of Hamilton in its future state and recognizes the importance of regional connections in the Greater Golden Horseshoe.

Specific 2022-2026 Council Priorities tied to HSR Next: Moving Hamilton Forward are:

1. Sustainable Economic & Ecological Development
  - 1.1. Reduce the burden on residential taxpayers
  - 1.2. Facilitate the growth of key sectors
  - 1.3. Accelerate our response to climate change
2. Safe & Thriving Neighbourhoods
  - 2.1. Make sure people can safely and efficiently move around by foot, bike, transit or car
3. Responsiveness & Transparency
  - 3.1. Prioritize customer service and proactive communication
  - 3.2. Modernize City systems

## Previous Reports Submitted

- [PW23021 \(Re\)envision the HSR - the \(re\)Designed Network, April 3, 2023](#)
- [PW20005\(a\) \(Re\)envision the HSR Update and Guiding Principles, January 22, 2021](#)
- [PW20005\(b\) \(Re\)envision the HSR Update, November 28, 2022](#)
- [PW14015\(a\) Ten Year \(2015 to 2024\) Local Transit Strategy, General Issues Committee, March 6, 2015](#)
- [PW13014 Rapid Ready - Expanding Mobility Choices in Hamilton, General Issues Committee, February 25, 2013](#)

## Consultation

Significant consultation within the City of Hamilton has been undertaken on this report. For brevity, in some circumstances where entire Divisions have been consulted, individual names have not been cited.

City Manager's Office

Public Works Department

Transit Division, Public Works Department

Planning and Economic Development Department

Lora Fontana, Executive Director, Human Resources

Kirk Weaver, Director, Financial Planning Administration & Policy, Corporate Services

Dianne Hicks, Manager, Finance & Administration, Corporate Services

Justin Lewis, Director, Housing Secretariat, Healthy and Safe Communities

Sylvia Pena, Communications Officer, Corporate Communications & Strategy Initiatives, City Manager's Office

Jocelyn Strutt, Senior Project Manager, Public Engagement, Government Relations & Community Engagement, City Manager's Office

Brian MacDonald, Manager, Corporate Partnerships, Digital and Innovation Office

Ray Kessler, Chief Corporate Real Estate Officer, Planning and Economic Development

Brian Hollingworth, Director, Transportation Planning, Planning and Economic Development

Abdul Shaikh, Director of Light Rail Transit, Planning and Economic Development

## Appendices and Schedules Attached

Appendix A: HSR Next: Moving Hamilton Forward, prepared by Arcadis Professional Services (Canada) Inc.

Appendix B: Transit Service Standards

Appendix C: Communications Strategy

Appendix D: Demographic Analysis

Appendix E: Other Information

**Prepared by:** Nick Chaloux, Manager, Transit Strategic Planning  
Public Works Department, Transit Division

**Submitted and  
recommended by:** Nancy Purser, (Acting) Director of Transit  
Public Works Department, Transit Division