

The image features a black and white photograph of a large, ornate fountain in the foreground, with water spraying upwards. In the background, there are modern buildings, including one with a large mural of a mountain range. A teal semi-transparent banner is overlaid across the middle of the image. The Hamilton Chamber of Commerce logo is positioned in the top right corner.

hamilton
chamber of commerce
your voice in business

City of Hamilton: Pre-Budget Submission

TO:

Mayor and Ward Councillors
City of Hamilton
71 Main Street West
Hamilton, ON

SUBMITTED BY:

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President & CEO
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ABOUT US:

Established in 1845, the Hamilton Chamber of Commerce is the definitive "Voice of Hamilton Business". Representing over 1000 members and 75,000 employees, it champions the interests of free enterprise by effectively engaging business, community, and government leaders in the promotion of the long-term economic prosperity of our region.

GIC BUDGET PRESENTATION NOTES

On behalf of the Hamilton Chamber of Commerce, I would like to thank members of Hamilton City Council and Mayor Eisenberger for allowing us to present our pre-budget recommendations on February 24th. In the interests of transparency and orientation for our membership to the budget process and to reiterate our presentation to in a more concrete format, we are publishing and submitting this document today.

As President & CEO of the Hamilton Chamber of Commerce, I have the privilege of speaking for our 1,000 members that employ of 75,000 people in this community. Created in 1845 and this year celebrating our 170th anniversary, the Hamilton Chamber of Commerce is Hamilton's first institution, launched by this City's Founding Fathers to provide leadership in city-building.

And what a great city they and all the municipal leaders of our first century built. I am excited by the opportunities we have to be great again.

To do that, we need proper resources.

When evaluating whether to advocate for increased resources, we weigh five principles:

- 1) Principle one: That the City of Hamilton tax levy remain competitive with comparative cities across the province.
- 2) Principle two: That the City of Hamilton facilitate policies and initiatives that help shift the commercial – residential tax base ratio towards commerce.
- 3) Principle three: That the City of Hamilton prioritize meeting the intensification goals under the Province of Ontario Places to Grow Act.
- 4) Principle four: That the City of Hamilton approve enhancements that facilitate economic development and business support.
- 5) Principle five: That the City of Hamilton consider investments into projects that improve the quality of life for all residents. Quality of life = economic development.

The bottom line in our expressions of support is, do the new expenditures keep us competitive with other jurisdictions and are they targeted and strategic, such that they are likely to yield a return on our investment?

We believe that Hamilton is at a crossroads. On one hand, according to our recently commissioned Economic Outlook report published in collaboration with the Ontario Chamber of Commerce, the outlook for Hamilton is bright: the city will expand at a faster pace than communities in its broader region and is set to outpace the provincial average in terms of employment gains.

Additionally, according to a recent presentation from City staff at our Business Development Committee meeting, we are currently estimated to have 750,000 square feet of commercial real estate in the City of Hamilton. However the appropriate levels is 1.5-2 Million square feet. Similarly we need to increase our intensification from 1,750 residential units a year to 3,330 recommended by the Places to Grow Policy of the Province of Ontario

Over the next 30 years, the City is hopeful to grow and achieve a population of 660,000 and 300,000 jobs according to City of Hamilton projections. What are the investments we need to make as a community to ensure we meet these goals?

RECOMMENDATIONS

Recommendation one: That the City of Hamilton Operating budget approve all enhancements requested by Planning and Economic Development division.

The City of Hamilton currently faces significant financial pressures as a result of over reliance on our residential tax base with an 87-13 split with commercial. That, coupled with a low industrial vacancy rate means the Planning and Economic Development division is required to generate substantial project completion and business attraction strategies to satiate the needs of the regional economy while at the same time balancing the needs of existing businesses in Hamilton.

However, according to our conversations with city staff and a recent Hamilton Spectator interview with Planning and Economic Development General Manager Jason Thorne, the department is currently under staffed, leading to 30 to 40 active files on each planner's desk, Ontario Municipal Board grievances and stagnating economic growth. The requests presented by P & ED will move City Hall towards ensuring satisfactory services are provisioned with the appropriate turn-around times to businesses in Hamilton. While these enhancements will on one hand put additional financial pressure on the taxpayers, especially when coupled with the currently proposed levy increases, we believe these specifically are a necessary investment that will yield long term economic benefits for businesses and taxpayers.

Here is a list of key enhancements from the Operating Budget book:

Form Ref #	INITIATIVE	2015 Budget		
		GROSS IMPACT	NET IMPACT	FTE Impact
PLANNING & ECONOMIC DEVELOPMENT				
G01	Engineering approval staff increase to enhance the ability to respond to and process applications for Site Plans and Plans of Subdivisions.	\$ 268,000	\$ 268,000	4.00
G02	Open for Business Coordinator to ensure ongoing implementation of recommendations and coordinate high profile and Council initiated issues.	\$ 111,000	\$ 111,000	1.00
G03	Permanent Waterfront Office to manage implementation of Corporate Waterfront and West Harbour plan related to items other than infrastructure and construction.	\$ 219,000	\$ 219,000	2.00
G04	Global Hamilton Office Project Lead to support the "Global Hamilton Office" and the "Immigrant Attraction Action Plan".	\$ 118,000	\$ 118,000	1.00
G05	Business Facilitators in Planning Division to promote City strategy for attracting and retaining businesses, promote residential, commercial, rural and greenfield developments.	\$ 247,500	\$ 247,500	3.00
G06	Human Resources to promote workforce planning and talent management.	\$ 76,000	\$ 76,000	1.00
G07	Long Range Planning Office	\$ 338,000	\$ 338,000	0.00
Sub Total PLANNING & ECONOMIC DEVELOPMENT		\$ 1,377,500	\$ 1,377,500	12.00

For the interest of our membership, we have provided brief commentary on the items:

- (G01) Engineering Approval Staff: Currently the engineering division is responsible for approving, servicing and grading for Site Plans and Plans of Subdivisions. This includes coordinating and implementing technical requirements from other agencies and departments. The additional staff will improve turnaround time. Current feedback from our members has included criticism of response rate backlogs in their interactions with City Hall.
- (G02) Addressed in Recommendation 2
- (G03) The Waterfront represents a tremendous economic revitalization opportunity for Hamilton, especially in the area of brownfield remediation for currently vacant or underutilized lands. As we heard from the former Mayor of Pittsburgh, Tom Murphy at Hamilton Economic Summit 2014, the waterfront industrial lands were the most significant catalyst for leading Pittsburgh's rise from an industrial collapse. However, these projects were only made possible by effective facilitation and investment attraction strategies from the municipal government.
- (G04) Over the past year I have been participating in the City of Hamilton's Foreign Direct Investment and Immigrant attraction strategy committees. My experience has reaffirmed the need for the City to solidify a FTE role in its arsenal to serve as a point of contact for these emerging opportunities. The Pan Am Games also provide the right timing for our investment into FDI attraction.

Recommendation #2: Fund an Open for Business Coordinator & supplementary requests related to sustaining and enhancing the services of the One Stop Business Centre at City Hall.

Currently, the resources for the Open for Business initiative have been seconded from existing departmental resources. However, as the city moves to implement the various initiatives, support the Council Sub-committee and undertake a comprehensive review of our development approval process, this work cannot be sustained.

The Chamber currently feels The Open for Business Review process has stalled with a long period of dormancy since the last meeting of the council subcommittee, no publicly visible selection of a chair for the subcommittee under the council and a lack of public engagement outreach. Various other Canadian municipalities in our review have allocated significant resources towards OFB initiatives not only in terms of tangible process improvements, but equally importantly as a public relations exercise signaling the intent of a municipality to attract and retain businesses.

The funding of the permanent position would at the very least provide a public face for these initiatives to the Chamber and overall business community. Our experience in engagement with Open for Business priority items has involved liaising with various staff across different departments, often running into the “silo phenomenon”. In addition, this position would be able to liaise with various departments in cases where specific projects are delayed, or get caught up in inter-departmental issues and the implementation of development approval improvements.

Additionally, we are also supportive of the other asks related to the One Stop Shop services offered at City Hall copied below:

Form Ref #	INITIATIVE	2015 Budget		
		GROSS IMPACT	NET IMPACT	FTE Impact
	PLANNING & ECONOMIC DEVELOPMENT			
S01	Additional resources required to sustain current service levels for One Stop Business Centre at City Hall and MLE counter at City Centre. Council Referred (PED14136)	\$ 67,500	\$ 67,500	1.00
S02	Enforcement of new Woodlot Conservation by-law. Council Referred (PED02229(e))	\$ 60,700	\$ 60,700	1.00
S03	Provide new enforcement service for noise complaints at nights Thursday to Saturday. Council Referred (PED14254)	\$ 95,000	\$ 95,000	1.00
S04	Provide permanent funding source and resources for Vital Services Program - Council Referred (PED10049(n)).	\$ 30,000	\$ 30,000	1.00
S05	Municipal Law Enforcement Policy Advisor.	\$ 81,700	\$ 81,700	1.00
S06	Head Curator - Supervisory position.	\$ 81,600	\$ 81,600	1.00
S07	License Facilitator - One Stop.	\$ 93,000	\$ 93,000	1.00
S08	Licensing and Permit Officers (Mobile Response).	\$ 147,000	\$ 147,000	2.00
S09	Public Art Program Coordinator.	\$ 66,300	\$ 66,300	1.00
S10	Collections Supervisor, Hamilton Municipal Parking System.	\$ 71,580	\$ 71,580	1.00
S11	Additional part-time hours for programming and visitor services.	\$ 62,000	\$ 62,000	1.00
S12	Supervisor One Stop.	\$ 92,250	\$ 92,250	1.00

Recommendation #3: Fund the Arts Program category created within the City Enrichment Fund for “Strategic Municipal Investment in the Arts”

The Arts community (through the Arts Advisory Commission Taskforce) in Hamilton has done extensive consultative and research work over the last five years, and we wholeheartedly support its request for additional funding.

According to research received by the City of Hamilton’s Arts Funding Task Force:

- 95% of Ontarians have stated that the arts enrich the quality of their lives
- 95% of Ontarians believe that the success of Canadian artists (singers, writers, actors and painters etc.) gives citizens a sense of pride in Canadian achievement
- 89% believe that if their community lost its arts activities, people living there would lose something of value
- 81% of Ontarians agree that the government should spend public dollars to support the arts

The Chamber is fully behind these sentiments as our leadership has long recognized the role of arts & culture in our belief that quality of living is one of the biggest economic assets in our city.

It is widely accepted that municipalities have a role to play in providing consistent and sustainable funding for the arts community. The current regime of funding has a piecemeal project based funding approach with Hamilton ranking 7th out of 8 on funding per capita (\$3.08). The Community Partnership Fund has remained at approximately \$3.2M since 2000. The needs of the community have understandably grown during that period, even beyond inflation.

The allocation of \$1 Million phased in via the City Enrichment fund (\$500k in 2015, \$300k in 2016, \$200k in 2017) will go a long way in creating a stable and collaborative arts ecosystem in Hamilton.

There can be no doubt that the AGH, the HPO, Theatre Aquarius, Supercrawl, et al., Generate far greater economic output than the taxpayer dollars we put into them. Without new funds, the only way that one organization can increase its allocation is at the expense of another organization.

