

BUILDING MOMENTUM: MADE IN HAMILTON INFRASTRUCTURE SOLUTIONS

January 21, 2010

Prepared by:
Canadian Urban Institute

555 Richmond St. W.,
Suite 402, PO Box 612,
Toronto ON M5V 3B1, Canada.

visit us online at canurb.com.



Canadian
URBAN
Institute

Institut
URBAIN
du Canada



THE BUILDING MOMENTUM TEAM:

Canadian Urban Institute

Glen Murray, President & CEO
Glenn R. Miller, Vice President, Education & Research
Brent Gilmour, Director, Urban Solutions
Daniel Nixey, Senior Associate, President of Danix Management Ltd.
Philippa Campsie, Senior Associate, Hammersmith Communications
Iain Myrans, Senior Planner, Education & Research
Christine Carr, Assistant Planner, Urban Solutions
Juan Carlos Molina, GIS Specialist, Urban Solutions

With contributions from:

Amanda Chen, Researcher, Canadian Urban Institute
Emanuel Nicolescu, Researcher, Canadian Urban Institute
Ewa Rajchert, Researcher, Canadian Urban Institute

Acknowledgements:

The report is the result of cooperative work by many individuals. The CUI team would specifically like to thank all individuals from the City of Hamilton who took the time to participate in workshops and interviews during the development of this report.

TABLE OF CONTENTS

Executive Summary	5
Developing an infrastructure strategy	6
Context: the good, the bad, and the ugly	6
“Competing in a new economy will require new building blocks”	11
Overview: Project identification, case studies, and value analysis	12
Listening to Hamiltonians	12
Identifying foundational projects	14
Focusing on value: from 25 projects to 5 districts	23
Six principles for Hamilton value planning	24
Estimating the return on investment in five districts	27
Historic Core	28
Lister to Liuna	30
West Harbour Waterfront	32
West Harbour Railyards	34
McMaster Innovation District	36
Value Uplift Summary	38
Ensuring the prerequisites for change are in place	38
A. Proceed with creating an arm’s-length development corporation	38
B. Prepare a comprehensive financing strategy	38
C. Maintain momentum with quick wins	38
“We are on the verge of something spectacular”	40
Appendix A: Method of analysis	42
Appendix B: Case studies in detail	44
How Pittsburgh managed the transition to a creative economy	44
Redefining and reinventing a city: The case of Portland, OR	45
Appendix C: Description of workshop	47
Appendix D: List of Interviewees and Stakeholders	49



EXECUTIVE SUMMARY

This report assesses the long-term infrastructure requirements for the City of Hamilton, and suggests priorities for investment in infrastructure projects by identifying and analyzing existing and proposed community assets. The City of Hamilton has completed several planning exercises. These were considered during the initial research phase of the report and set the context for the interviews and discussions in which stakeholders identified priority infrastructure projects to meet the objectives of the current plans and policies. It was assumed during the interview process that hard infrastructure – such as water, waste water, roads and bridges – were critical to future city-building and would be maintained and improved as part of Hamilton’s effective asset management program.

Starting with a list of nearly 100 potential infrastructure projects suggested by Hamilton councillors, staff, and stakeholders, CUI researchers conducted an analysis to identify “foundational projects.”

A foundational project:

- » is valuable in its own right;
- » stimulates productivity and economic competitiveness;
- » offers a clear return on investment, building on the tax base;
- » provides a platform for other projects (it is not a “one-off” or isolated asset);
- » meets municipal priorities and provincial priorities (such as the Growth Plan for the Greater Golden Horseshoe);
- » contributes to quality of place and quality of life.

Through consultation with Hamilton stakeholders, 25 foundational projects were identified. These consultations also drew out six principles for infrastructure investment in the city: invest in the heart of the city strategically; ensure connectivity; work at all scales; leverage cultural and creative assets; focus on quality of place; and build on existing green assets.

The 25 foundational projects were grouped into five districts: four in the downtown and waterfront areas of Hamilton, and the fifth in the McMaster Innovation Park. For each district, an analysis was conducted that drew on best practices from other industrial cities that have carried out successful revitalization programs in similar districts under similar circumstances. Based on this analysis, the researchers calculated the estimated increase in assessment value and taxes for developments that would build on major and minor infrastructure investments in each of the five districts.

The report concludes with three recommendations.

- A. Proceed with creating an arm’s-length development corporation with a city wide mandate. This recommendation highlights the effectiveness of such corporations in other cities where revitalization has been successful. The structure of such a corporation should reflect Hamilton’s strengths; many different models are possible.
- B. Prepare a comprehensive financing strategy. The City of Hamilton needs to mobilize limited resources through integrated strategic investment and planning.
- C. Maintain momentum with quick wins. Projects that require limited investment and can be launched relatively quickly will give Hamiltonians a sense that progress is being made while longer-term initiatives are planned. Examples include festivals, design competitions, bike-sharing programs, public art programs, fast-track approvals for sidewalk cafés, and initiatives to make use of vacant upper storeys in commercial areas. Many other quick-win projects are possible.

The response from interviewees and stakeholders during the course of this research has been very positive, and there is a sense of optimism about the future. Hamilton has huge potential: what is needed now is targeted, strategic investment to unlock that potential.

DEVELOPING AN INFRASTRUCTURE STRATEGY

The City of Hamilton, in cooperation with the Ministry of Energy and Infrastructure, asked the Canadian Urban Institute to assess the long-term infrastructure requirements, strategic directions, and growth vision for the City of Hamilton, and to help identify priorities for investment in infrastructure projects by analyzing existing and proposed community assets. The analysis included placing potential projects in the context of provincial and federal initiatives and regional trends.

Setting priorities means identifying which projects offer not only the greatest return on investment, but also have the potential to stimulate other projects or actions and thereby add to Hamilton's tax base. By coordinating its investment in related projects that support each other, the City of Hamilton can gain the greatest benefit from its investments.

What this report represents is a long-term perspective on how Hamilton can best invest strategically for the future. Hamilton's many current plans and projects – such as the priority investment opportunities along the B LRT line (as reflected in the new Official Plan) and the importance of increasing commercial and industrial assessment largely through investments in new business and industrial parks (e.g. the Airport Employment Growth District and Brownfield redevelopment etc) – complement the recommendations in the report. Although not all of the current plans and projects are part of this analysis, they were considered during the research phase as the context for strategic investment.

CONTEXT: THE GOOD, THE BAD, AND THE UGLY

Hamilton has important assets, but the perception of these assets by residents, business owners, and visitors is sometimes overshadowed by real or perceived problems.

Even though Hamilton's economy is diverse and many Hamiltonians work in sectors such as medical sciences or cultural industries, the city's reputation as a steel town, like many Rustbelt U.S. cities, gives the impression that it has a precarious economic foundation. The recent restructuring of U.S. Steel has fed into that perception.

Even though the amalgamated city as a whole grew during the most recent census period, city leaders are concerned that young people who get their education in Hamilton will leave for job opportunities elsewhere, a concern they share with northern Ontario communities that are losing population.

Even though the city is at the crossroads of the Greater Golden Horseshoe and is an important centre for logistics and freight, with good air, rail, and highways connections to Ontario's heartland and to border crossings, it is not well connected internally. The downtown is cut off from the waterfront, the university is separated

from the centre by a highway, and GO Rail and VIA do not (yet) serve the city. However, there is an opportunity to provide all-day GO transit service and VIA Rail service to the James Street Corridor that will begin to connect the city internally as well as regionally.

Even though the city has an active downtown revitalization team and there is an emerging arts cluster developing on James Street, boarded-up shops, one-way streets and a prevalence of parking lots in the downtown area (see Figure 1) make it seem that the downtown has little to offer. The fact that important assets such as the conference centre or the Art Gallery of Hamilton are housed in inward-focused buildings that seem to turn their backs to the street compounds this impression.

Even though James Street, which runs north-south, is emerging as the preferred main street, much of the recent development and intensification is locating along Main and King Streets, and is supported by the new Official Plan and other documents. Efforts to develop and intensify along James Street will only complement and strengthen further activities along Main and King Streets and support the directions identified in the new Official Plan.

Finally, even though new developments are occurring in the city (see Figure 2) and the city offers a wealth of cultural and heritage assets, there is a sense that the city is not making progress in altering its image and attracting creative workers.

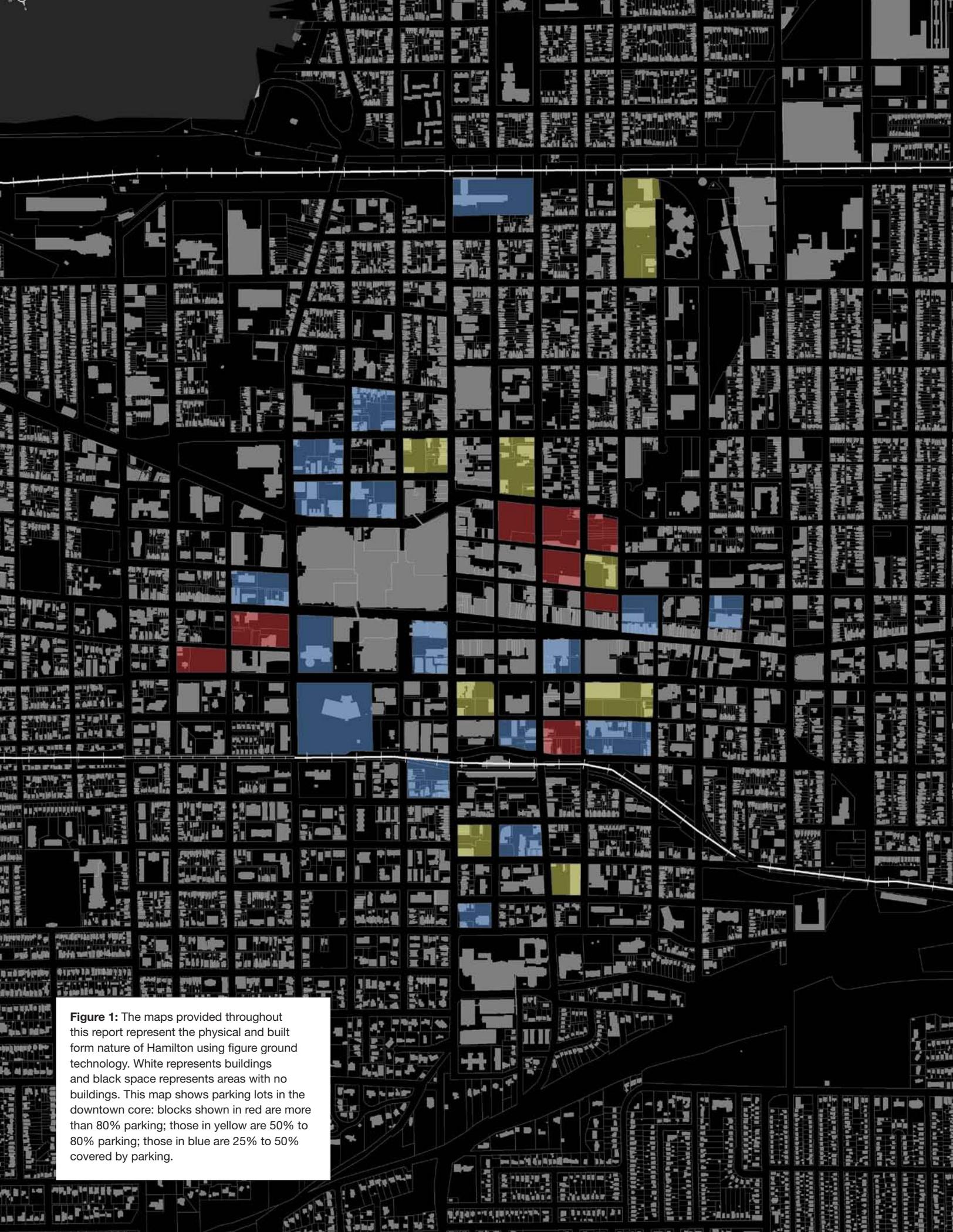
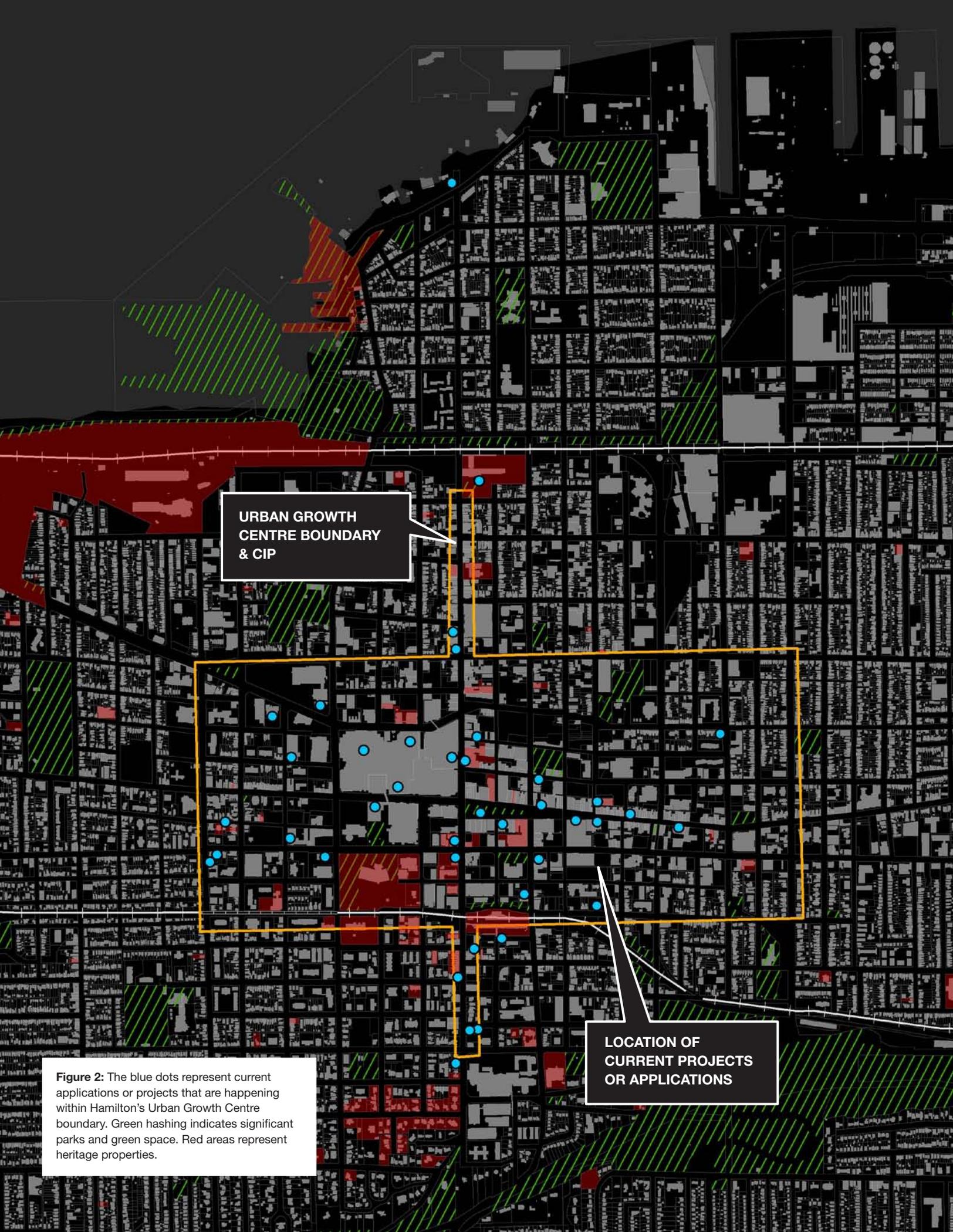


Figure 1: The maps provided throughout this report represent the physical and built form nature of Hamilton using figure ground technology. White represents buildings and black space represents areas with no buildings. This map shows parking lots in the downtown core: blocks shown in red are more than 80% parking; those in yellow are 50% to 80% parking; those in blue are 25% to 50% covered by parking.



**URBAN GROWTH
CENTRE BOUNDARY
& CIP**

**LOCATION OF
CURRENT PROJECTS
OR APPLICATIONS**

Figure 2: The blue dots represent current applications or projects that are happening within Hamilton's Urban Growth Centre boundary. Green hashing indicates significant parks and green space. Red areas represent heritage properties.

The current economic recession adds to fears that Hamilton will lose jobs, businesses and residents, thereby eroding the tax base to the point at which it cannot afford to maintain its existing infrastructure.

Many North American cities have been caught in a downward spiral, caused by bankruptcies, foreclosures, outmigration, and a sharp increase in social needs. These cities are struggling to provide services with an ever-decreasing tax base. Yet there are examples of cities that have reversed this downward spiral, building infrastructure in support of a livable city (see Figure 3). In the age of the creative city, the notion that people migrate to

where the jobs are has been set on its head – the businesses that offer jobs want to locate in cities where people want to live. Making a city more attractive and livable is now seen as a way to attract employers, particularly small and medium-sized enterprises.¹

Hamilton has all the assets that characterize other cities that have made a reputation for livability and have thereby become important nodes in the network of creative cities. These assets include heritage architecture, a viable downtown containing important civic and cultural institutions, a varied housing stock for people of all income levels, access to recreational opportunities, and a good location.



Figure 3: The downward path of disinvestment and the upward path of reinvestment in a city.

¹ Martin Prosperity Institute, “Hamilton’s performance on the 3Ts of Economic Development,” Toronto, April 2009.

However, for the last three decades, Hamilton’s base of tax support has shifted substantially away from non-residential assessment, as the traditional commercial and industrial base has moved away from the city and as residential development has increased (see Figure 4). The commercial property tax base in a downtown commercial core normally represents a powerful tax engine that carries a disproportionate amount of the responsibility for city services and bears a higher tax burden than residential properties.

The declining contribution of non-residential properties (commercial and industrial) to the tax base in Hamilton is caused by two factors:

- » a decline in the proportion of non-residential construction in comparison to suburban residential development;
- » changes to the Assessment Act that limited the tax rates that municipalities can charge on non-commercial properties.

Hamilton would be better positioned financially if it had retained closer to 50% of its tax base in the commercial sector. For example, if the non-residential assessment had remained at its 1994 value, when the city had \$0.79 cents of non-residential tax base for every \$1.00 in residential tax base, and if the two components of the tax base had grown at similar rates up to 2009, today there could be approximately \$133 million more in annual tax receipts.²

What is required is a way to target investments that will connect what is fragmented, fill in the empty spaces, and build the commercial tax base. If the investments are pursued in a strategic way using a value-planning approach that weighs the cost and revenue implications of different infrastructure and development projects, the beneficiaries of this plan will be not just downtown businesses, but also the residential ratepayers of Hamilton.

While this study focuses on a strategy for new investments, it is very important to maintain the integrity of existing assets. Hamilton has an effective asset management program through which staff plan and implement infrastructure upgrades and repairs. The question arises: why create new infrastructure at a time when the City is stretched to maintain what exists now? As we show in our value analysis, new infrastructure has the potential to stimulate new private-sector investment and boost assessment values and property taxes that can be used to preserve the integrity of infrastructure assets throughout the city as a whole.

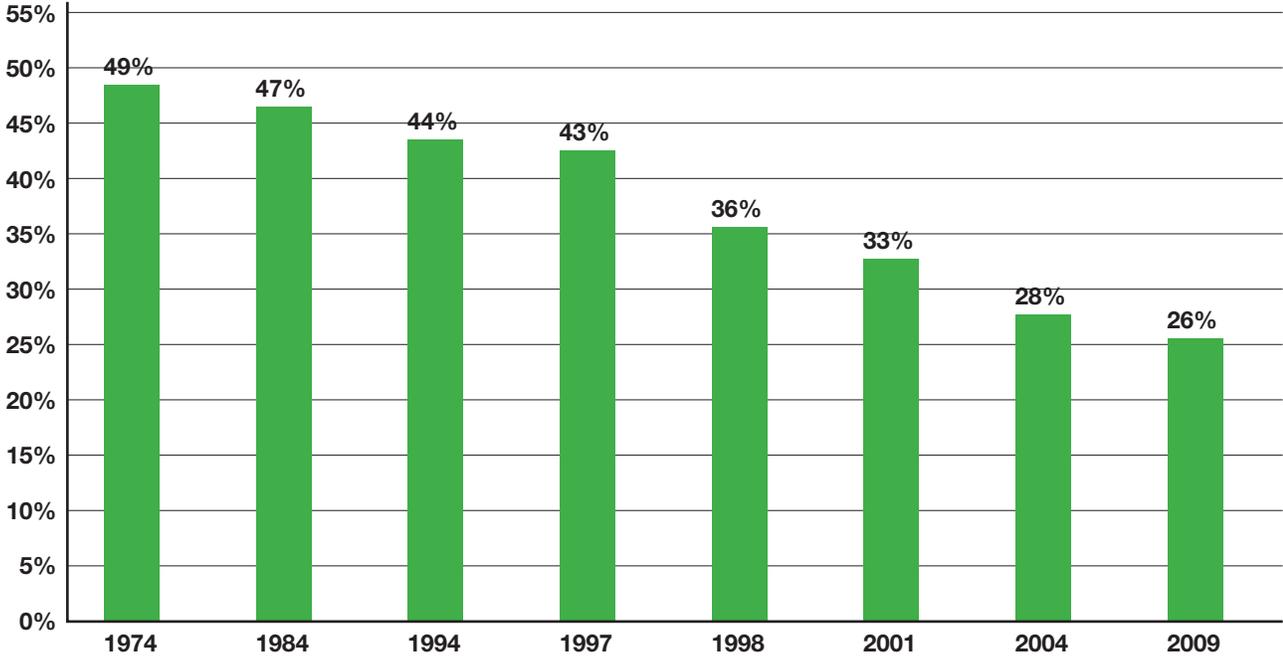


Figure 4: Non-Residential Property Assessment as a Percentage of Total Assessment (weighted), 1974 to 2009. Based on former City of Hamilton assessment; note that multi-residential buildings are not included in the “non-residential” category. Source: City of Hamilton.

² This calculation, provided here for illustration only, assumes that the tax rates remained frozen at the 1994 levels (tax structure stayed constant) and the non-residential assessment base kept up to the 1994 proportion (economic structure stayed constant).

WHAT MAKES A GREAT CITY?

A poll of Canadian Urban Institute staff and associates came up with the following ingredients for a successful city:

Architecture & design: landmark projects, heritage protection, human-scale development

Connectivity: rail, light rail, walking, cycling, marine, design for all ages

Culture: vibe, virtuosity, values

Innovation: education & research, partnerships and networks, venture capital and angel investment, universities and colleges, educated and skilled workforce

Employment: small and medium-sized enterprises, creative industries, diverse economic base

Public realm: quality streets and streetscape, plazas and squares, parks and other gathering places, destinations, private spaces that enhance public space (e.g. sidewalk cafés)

Sustainability: sustainable development, air and water quality, community energy projects

Diversity: open fluid society that facilitates the participation and leadership of new immigrants.

Venture capital: availability of venture capital and management of researchable market.

...and “It’s all things at all times on all fronts” supporting each other through infrastructure investments, guided by a clear vision and risk-embracing leadership.

“COMPETING IN A NEW ECONOMY WILL REQUIRE NEW BUILDING BLOCKS”

This quotation comes from an interview with a Hamilton stakeholder in March 2009.

Canadian Urban Institute (CUI) undertook this project to help Hamilton identify those building blocks in the form of “foundational projects.” A foundational project:

- » is valuable in its own right;
- » stimulates productivity and economic competitiveness;
- » offers a clear return on investment, building on the tax base;
- » provides a platform for other projects (it is not a “one-off” or isolated asset);
- » meets municipal priorities and provincial priorities (such as the Growth Plan for the Greater Golden Horseshoe);
- » contributes to quality of place and quality of life.

Foundational projects exist at a range of scales. Some are mega-projects that take years to complete, such as fixed-rail transit or convention centres. Others are smaller, more immediate changes to the environment that make further changes possible, such as modifications to a street that make it more inviting to pedestrians or the clean-up of a neglected park in a key location.

OVERVIEW: PROJECT IDENTIFICATION, CASE STUDIES, AND VALUE ANALYSIS

The complete research method is shown in the diagram included in Appendix A. Briefly, it started with approximately 100 interviews with Hamilton staff, councillors, and stakeholders, which were analyzed in order to identify potential roles for Hamilton in the regional economy, and potential foundational projects that would support those roles.

CUI also conducted case studies of the cities of Pittsburgh and Portland. These revitalized cities have important features in common with Hamilton. Pittsburgh shares the heritage of the steel industry, coupled with an emerging medical sciences sector; Portland is a former resource-based city in the shadow of the larger cities of Seattle and San Francisco that carved out a distinctive niche in its regional economy. The purpose of these case studies was not so much to find out *what* these cities did to reverse the downward spiral (since each city has different needs for investment), but *how* they did it.

In both cases, the city administration decided where (and where not) to invest for maximum benefit. When we asked what advice people in Pittsburgh and Portland would give their colleagues in Hamilton, this is what we heard:

“Be bold, authentic & unique: whatever Hamilton does in the next five years it has to be bold enough, different enough that people in Toronto and its suburbs are talking about it.” (Pittsburgh)

“Innovative cities are formed out of big moves, forethought, and are driven by momentum.” (Portland)

The full story from the two case studies is provided in Appendix B.

Finally, we undertook a variation of value planning analysis that focused on a direct site assessment using the list of potential projects for Hamilton provided by our interviews. Value planning is a method of developing an integrated strategic investment plan. The first step involves identifying foundational projects – those that offer the most potential and for which there is buy-in and support. Second, the list of projects is sorted into clusters (or districts) organized around these foundational projects; this step allows for an investigation of how the projects might mutually reinforce each other. The last step is to quantify the likely development response to potential strategic investments in these districts, and what that response might mean for property assessment and tax revenues, and offer guidance on how to capture these benefits.

LISTENING TO HAMILTONIANS

Our interviews yielded insights into Hamilton’s present and future. At present, momentum is building with the following initiatives and assets:

Sectors to focus on:

- Advanced manufacturing
- Goods movement
- Culture and film
- Health and biosciences
- Agriculture

Activities to promote:

- Vibrant downtown
- Waterfront destination
- Active port
- Active airport

Leaders in:

- Brownfield remediation/heritage restoration
- Green technology
- Innovation/creative economy
- Tourism
- Transportation

The range of potential projects in which the city could invest numbered almost 100. The list shown in Figure 6 is not exhaustive, but it represents the projects that were already identified by the city and those that interviewees suggested, and probably includes those that have the most support and buy-in. We have deliberately left it unsorted and random in order to convey that at this point in our research, the information was simply raw material for further analysis.

Clearly, Hamilton cannot do all these things in the near future. Nor does it need to. Focusing the strategic investment plan on foundational projects will provide the maximum stimulus to private-sector development. What Hamilton does need to do is decide where best to invest its resources and efforts without spreading those resources and efforts too thin.

Downtown Revitalization; Hotels Downtown; Improved or New Convention Centre; Downtown Intensification – people and jobs; Family Health and Educational Centre; Farmer’s Market and Library revitalization; Jackson Square revitalization; Lister Block revitalization; Heritage buildings – maintenance and adaptive re-use; Street and Sidewalk improvements; Gore Park restoration; Façade improvements; Improved public spaces – parks and squares; Safety Downtown; Closed circuit cameras – downtown; Improved addiction centres and training facilities downtown; Arts Centre on Rebecca Street (Old Salvation Army building); Arts/Entertainment District between downtown and waterfront located on James Street; Auchmar – heritage property; New affordable housing; New social housing; Retrofitting existing social housing; West Harbour Revitalization; Skating rink at West Harbour; Multi-use theatre and stage at West Harbour; Residential and commercial development at West Harbour; Amenities at Bayfront Park; Light Rapid Transit; Future link to Halton Bus Rapid Transit; Transportation connections to universities and colleges; Expansion at Highway 6 & 5 in Waterdown (new growth area); Expansion of VIA – Liuna Station; Expansion of GO services – express train, all day two-way service; Extension of Red Hill Valley Parkway to Airport; Potential truck ferry transportation links from upstate New York to Hamilton; Short sea shipping through St. Lawrence Seaway and Welland Canal; New truck link from Harbour and Port to highway 403; Move West Harbour railyards to industrial site; Establish a multi-modal terminal (QEW & Highway 20); Construct an eastbound off ramp from 403 to Redeemer University (Ancaster); Tele-communications – replacing dated trunk radio system; Bike Lanes – Downtown; Pedestrian and Bike Trails; Cleanup of Randle Reef; Locally sourced power generation (renewable energy); Wastewater Treatment Plant; Updating 23 tanks along the waterfront; Improved infrastructure for trucking industry to prevent “Dragout” (Roads & Air quality); Infrastructure for energy conservation (district energy, green buildings); Investments in agriculture (preserving agricultural lands); Shovel-Ready Employment lands; Airport Employment Growth District; AEGD – Sewer; Glanbrook Business Park; Ancaster Business Park; Airport expansion – runways; Airport expansion – roads; Airport expansion – heavy rail to airport; End of runway, pick n’ pack facility with a multi-tenant terminal; Brownfield remediation; Brownfield redevelopment; McMaster Innovation Park; Incubation space – buildings; Wireless downtown; Wireless innovation districts; Port expansion – container industry; Niagara to GTA Corridor; Re-alignment of GTA-Niagara Corridor to Waterloo-Kitchener and Guelph; Extension of centennial water line; New Sports and Recreation infrastructure; cultural infrastructure (art centres/film studios); New Stadium – west harbour; New Stadium – airport; Aquatic Centre – McMaster; Redevelopment of Ivor Wynne Stadium site; Commercial tourism assets; Improving existing recreation and community centres; Eco-tourism supportive infrastructure; Beasley Neighbourhood – Community Centre & Park Remediation; Visitor Welcome Centre (Gateway); Waterfront Redevelopment – East End; New Senior Housing; Downtown Transit Terminal; Dundurn Castle Renaissance; Hamilton’s Childrens Museum expansion; Hamilton Museum of Steam and Technology; Fieldcote Memorial Park and Museum; Stoney Creek Industrial/Business Park; Hamilton Mountain Industrial/Business Park; Skyway bridge – lift improvements; Renovation of Cops Coliseum; redevelopment of Centre Mall; ferry for public transportation across bay; Airtrams/cablecars to top of escarpment; Food terminal; U.S. Steel lands redeveloped; Eco-industrial park at Airport.

Figure 5:

THE LONG LIST OF POTENTIAL HAMILTON INFRASTRUCTURE PROJECTS

IDENTIFYING FOUNDATIONAL PROJECTS

Results from the interviews were coded to identify how often certain projects were mentioned. The figures on page 15 indicate the frequencies for the councillor interviews (Figure 6) and stakeholder interviews (Figure 7).

We then compared the projects, two at a time, to identify whether each project contributed to the other project, or benefited from the other project (see Figure 8). In some cases, the relationship was two-way: for example, adding new hotels downtown both contributes to and benefits from downtown revitalization. In other cases, the relationship was one-way: adaptive reuse of heritage buildings might offer incubation space for business, but incubation space need not be located in heritage buildings. And in some cases, there was no relationship at all: improvements to the airport have no effect on, say, seniors' housing.

We also compared the projects to the stated goals in Hamilton's own plans and in provincial policy (see Figure 9). For example, we evaluated the extent to which any particular project would meet Hamilton's goals for brownfield remediation or the green economy, or to provincial goals for meeting Urban Growth Centre population and jobs targets, or protecting agricultural land.

With this method, we were able to identify the top 25 projects that had the greatest number of relationships to other projects, and that met both municipal and provincial goals.

Because it is difficult to get an overall impression of linkages from tables and matrixes, we constructed a web of relationships linking these 25 projects that provides a more immediate sense of the strength and number of relationships (see Figure 10). This figure represents the 50-year infrastructure strategy for Hamilton. In the next 50 years, all of these investments will need to be made to ensure Hamilton's prosperity.

The next task is to determine which investments to make in the next 15 years. The choices that Hamilton makes in the next decade or so will either open up or close off opportunities for further investment, so choosing the most promising foundational projects is critical. Which offer the best return – in other words, which provide the best platform for private-sector investment and spinoff initiatives?

LIST OF 25 FOUNDATIONAL PROJECTS PRESENTED AT MAY 14TH SYMPOSIUM (IN RANDOM ORDER)

- Downtown Intensification – people and jobs
- Hotels Downtown
- Improved or New Convention Centre
- Safety Downtown (i.e. addiction centres & training facilities)
- Jackson Square revitalization
- Improved Public Parks and Squares
- Redevelop Copps Coliseum (i.e. NHL)
- New Stadium – West Harbour
- Residential and commercial development at West Harbour
- Cultural infrastructure (i.e. art centres/film studios)
- Arts/Entertainment District on James Street North
- Light Rapid Transit
- Expansion of VIA – Liuna Station
- Expansion of GO services –Downtown/ Express Train
- Multi-modal terminal
- Niagara to GTA Corridor
- McMaster Innovation Park
- Glanbrook Business Park
- Airport Employment Growth District
- Infrastructure for Energy Conservation (i.e. district energy)
- Brownfield Remediation (Downtown & Waterfront)
- Commercial tourism assets
- Improved Pedestrian & Bike trails
- Expansion of Port
- Improving Lift on Bridge (year round access)
- Extension of Red Hill Valley Parkway to Airport
- Heavy Rail from Port to Airport
- Food Terminal

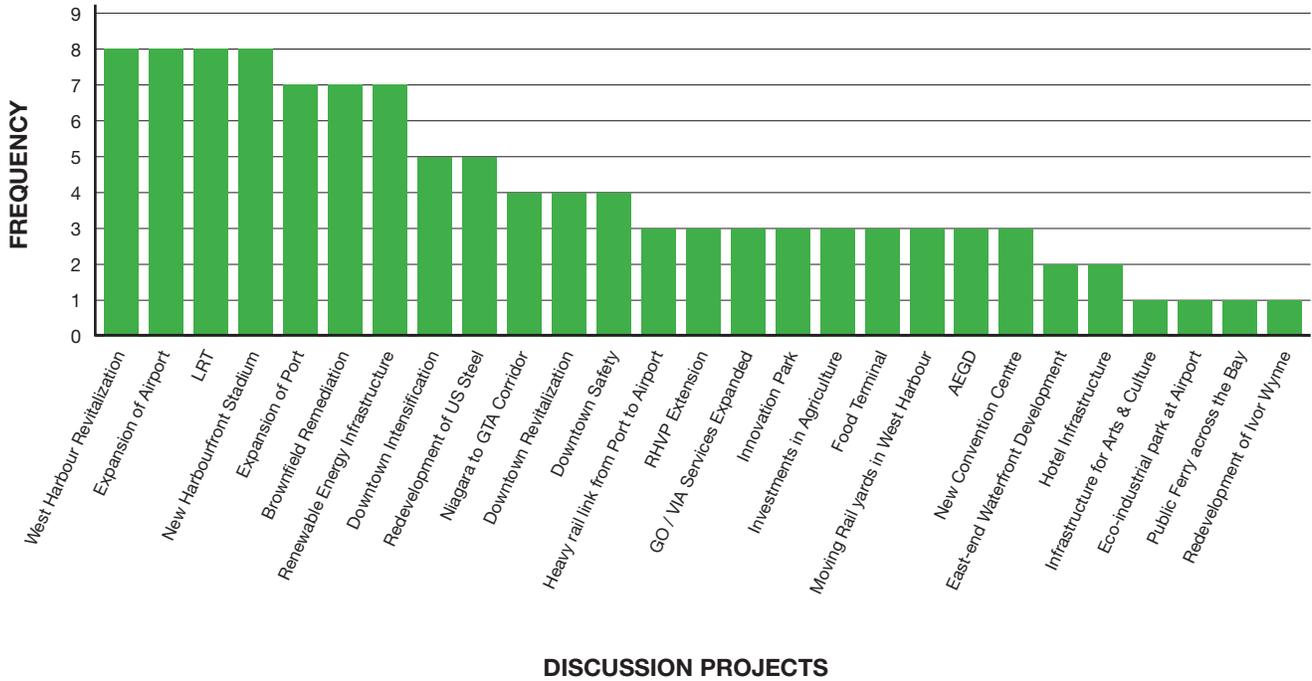


Figure 6: Frequency of mentions of projects in Councillor interviews

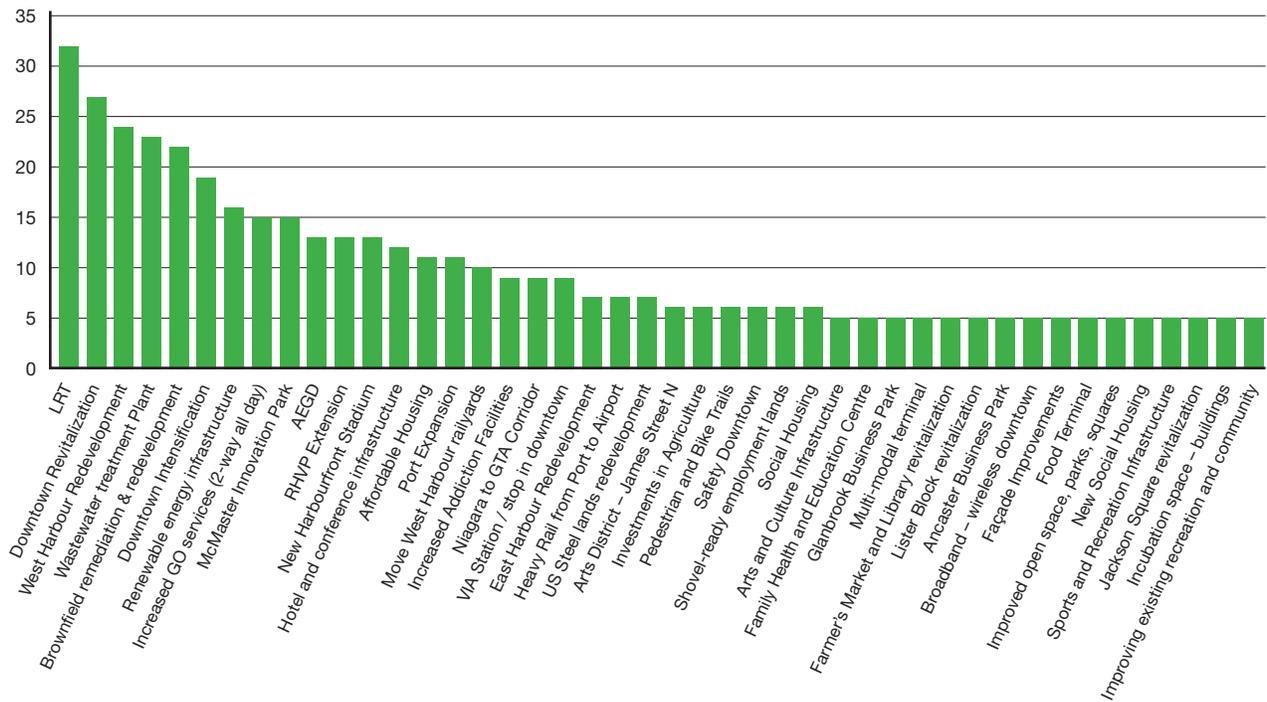
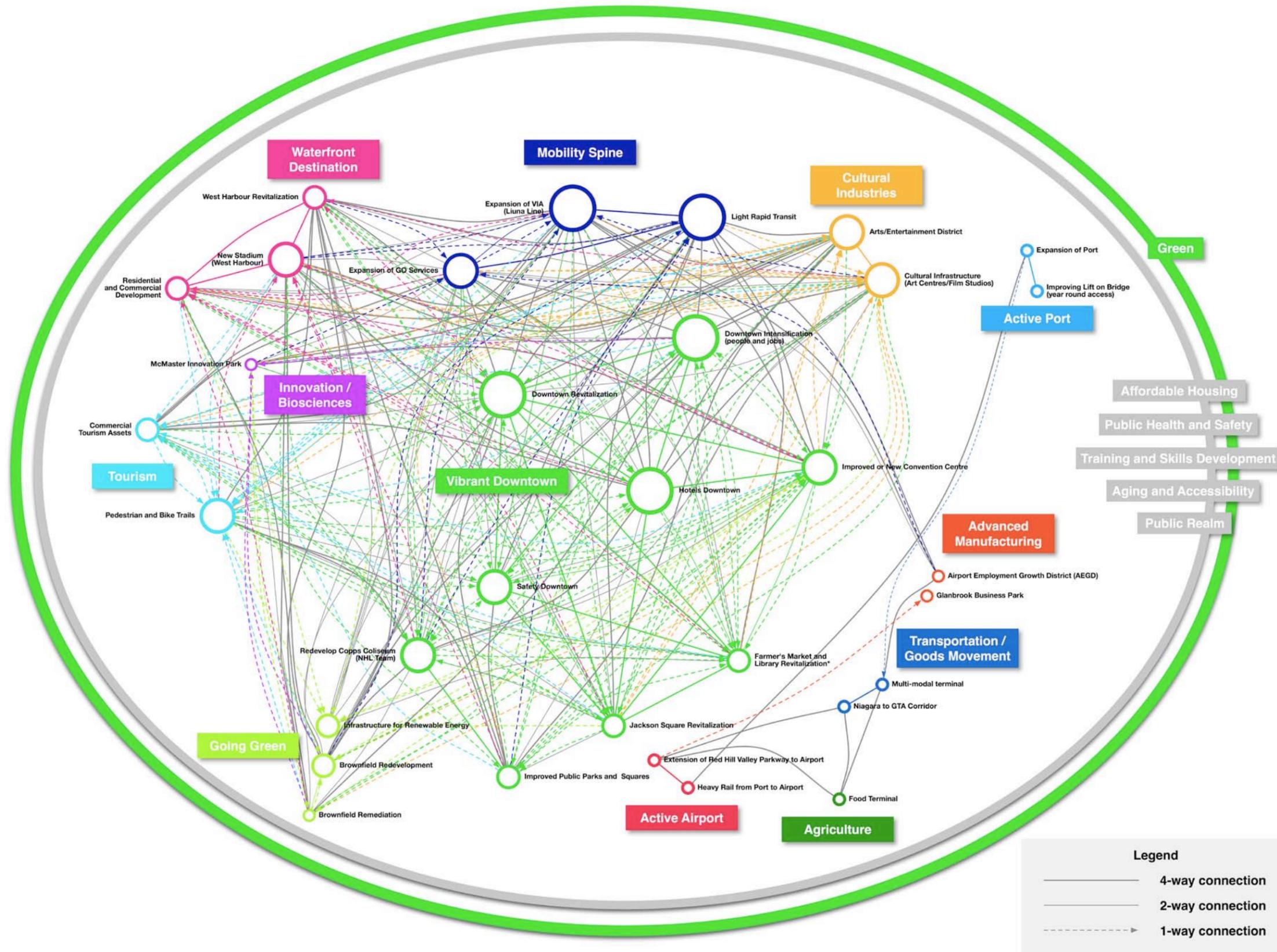


Figure 7: Frequency of mentions of projects in stakeholder community interviews

Figure 9: Projects that meet goals or requirements in provincial and municipal policy

	Provincial Policy (Places to Grow & PPS)														SECTORS										ACTIVITIES										LEADERS										VISION										TOTALS	
	community infrastructure: complete communities	Growth Centre Target	Intensification (incl. brownfields)	Transit supportive density	Full range of housing	Mix of jobs	Optimize Goods Movement Systems: Identification of transportation corridors	planning, preserving, and protecting employment areas	multi-modal transportation	Direct/Accommodate growth in sewer & wastewater efficiently	Planning airport lands to protect long-term operation & economic role	Major office in Urban Growth Centre	Alternative / Renewable energy	Protecting Prime Agricultural Areas	TOTALS	Manufacturing - Advanced & Secondary	Goods Movement	Culture and Film	Health Sciences	Education	Agriculture	Administrative city - HQs	Vibrant Downtown	Waterfront Destination	Active Port	Active Airport	Brownfield Remediation	Innovation - R&D	Green Economy	Tourism	High Quality of Life	TOTALS	GRAND TOTAL: (Benefits AND Cotributes)+Provincial Policy + Municipal Vision	GRAND TOTAL: (Benefits OR Cotributes)+Provincial Policy + Municipal Vision																						
Downtown Revitalization														10																			10	46	97																					
Hotels Downtown														3																			6	28	72																					
Improved or New Convention Centre														4																			7	23	56																					
Downtown Intensification -people and jobs														8																			5	36	84																					
Family Health and Educational Centre														6																			4	17	34																					
Farmer's Market and Library revitalization														2																			5	15	47																					
Jackson Square revitalization														2																			3	16	44																					
Lister Block revitalization														0																			2	9	28																					
Heritage buildings - maintenance and adaptive re-use														3																			5	13	32																					
Street and Sidewalk improvements														1																			4	9	29																					
Gore Park restoration														1																			3	10	27																					
Facade improvements														0																			5	7	19																					
Improved public spaces- parks and squares														3																			6	20	49																					
Safety Downtown														1																			5	18	50																					
Closed circuit cameras- downtown														0																			0	0	12																					
Improved addiction centres and training facilities downtown														1																			4	6	16																					
Arts Centre on Rebecca Street (Old Salvation Army building)														1																			3	13	42																					
Arts/Entertainment District between downtown and waterfront located on James Street														2																			7	23	58																					
Auchmar- heritage property														1																			2	6	18																					
New affordable housing														5																				4	21	39																				
New social housing														5																				2	17	34																				
Retrofitting existing social housing														2																				2	5	8																				
West Harbour Revitalization														6																				7	33	72																				
Skating rink at 11:00-1:00-hour																																		3	9	19																				

Figure 10: The interconnections among the key 25 infrastructure projects identified. The green circle represents the understanding that all projects should be considered through a green lens and contribute to helping the City of Hamilton achieve its sustainability goals. The grey circle illustrates the importance of incorporating foundational projects to support broader social initiatives identified as critical for the long-term competitiveness, livability and prosperity of Hamilton.



FOCUSING ON VALUE: FROM 25 PROJECTS TO 5 DISTRICTS

In a daylong workshop with Hamilton stakeholders, we asked participants to rank the 25 projects by their importance, likely time frame, potential supporters, and “traction” (whether they represent foundational projects that contribute to other revitalization efforts). More detail on the workshop process is provided in Appendix C. Figure 11 shows a portion of the worksheet that participants used to rank projects, first individually, and then collectively in small groups.

EVALUATION GRID

	Importance			Timeframe			Is there traction?		Champions/Partners
	Low	Medium	High	Short (5yrs)	Medium (within 15 yrs)	Long (beyond 15yrs)	Yes	No	
Foundational Projects									
Area									
Project 1									
Project 2									
Project 3									
Project 4									
Project 5									
Project 6									
Project 7									

Figure 11: Sample of Evaluation Grid that was filled out by participants at the May 14 Symposium.

What emerged clearly from the consultations was the need to focus on the downtown core and the waterfront. Although there are other areas in the city where investment could lead to long-term benefits (most notably the Airport Employment Growth District and Glanbrook Industrial Business Park), they do not offer the same opportunities for developing a web of mutually supportive projects that will boost the city's quality of life and ability to attract talent and business in a short period of time. Furthermore, in the case of the airport, the major infrastructure already exists, and the extension of services to Glanbrook is already under way.

Therefore, the analysis focuses on the following five districts:

- » Historic core
- » Lister to Liuna
- » West Harbour Waterfront
- » West Harbour Railyards
- » McMaster Innovation District

It is worth noting that the first three districts follow the north-south "spine" of James Street. The need to strengthen the north-south orientation of Hamilton to connect the downtown to the Waterfront emerged clearly from our interviews as a critical priority for city building. However, it was not suggested as an alternative to east-west development or the LRT proposed along the east-west axis. Rather, it is a necessary complement to current planning and development trends and a strategic investment for the future.

King and Main Streets, as one-way streets, have higher volumes of traffic moving at higher speeds than the narrower, two-way James Street. However, our findings suggest that narrower, slower streets offer important opportunities for intensification and revitalization, as well as the wider, faster-moving ones.

SIX PRINCIPLES FOR HAMILTON VALUE PLANNING

What we heard at the workshop also contributed to the development of six principles that guided our analysis of the five districts.

1. Invest in the heart of the city strategically.

Although areas such as the airport or the Innovation District are important, there are so many linkages among projects in the downtown and waterfront areas that investment in these areas represents much more "bang for the buck." The downtown offers the best opportunities to secure return on investment, because it is a natural focus for employment and has the potential to attract additional residents.

2. Connect, connect, connect.

The idea of connections has several implications. Physical connections, represented by transit and streets, offer opportunities to improve accessibility and mobility around the city, and allow people to move freely among Hamilton's areas of activity – the downtown, the waterfront, the university, the top of the mountain, etc. Connecting also means siting important new infrastructure where clusters of activity already exist and ensuring that infrastructure investments support each other.

3. Work at all scales.

Some of the projects are large-scale and long-term, such as the LRT line. Others require less investment and less time – such as pedestrian and bike trails, or improvements to public parks. There are great benefits to small-scale, immediate actions that help to maintain momentum, and give residents and businesses confidence that change is occurring.

4. Leverage cultural and creative assets.

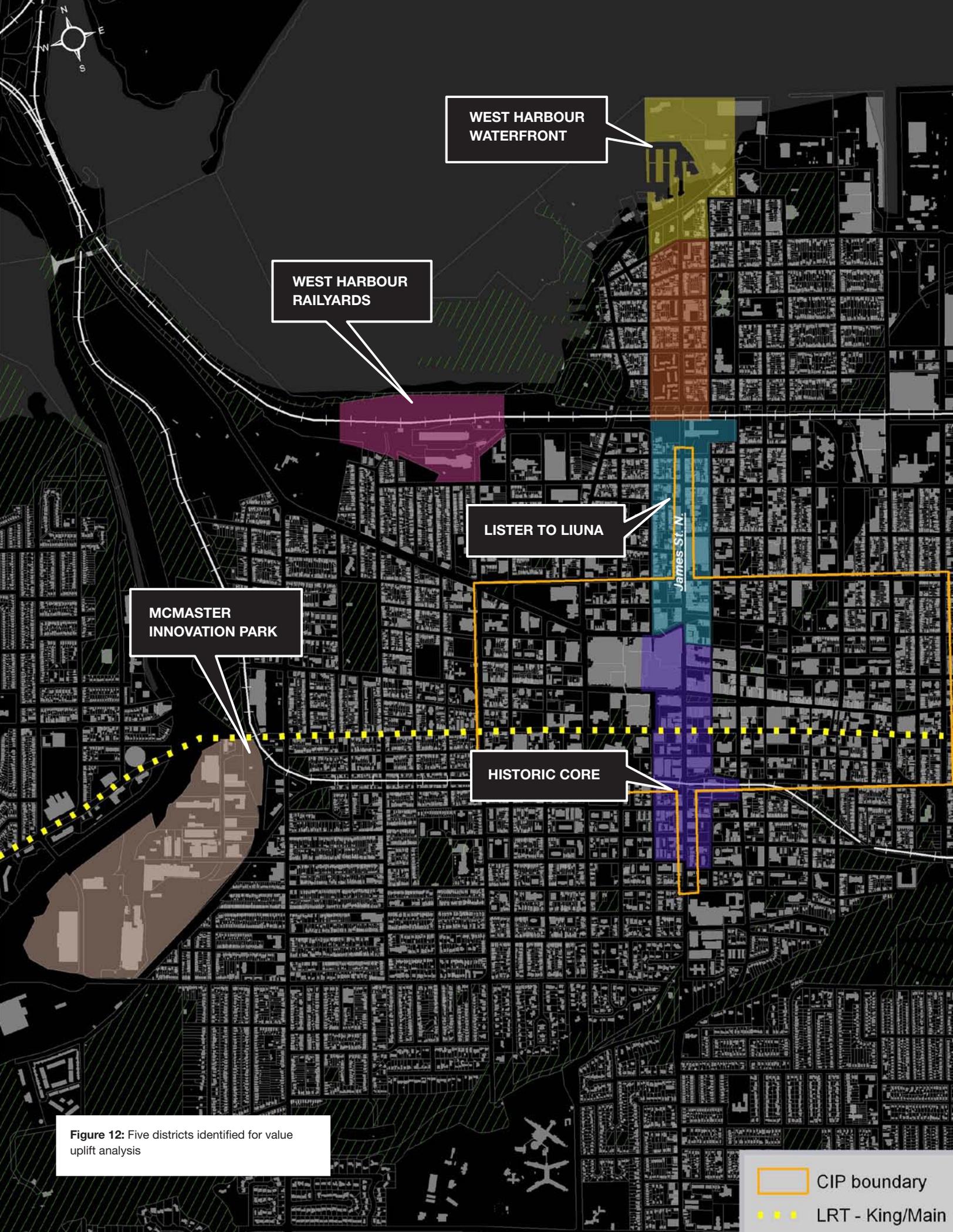
The importance of the arts sector and tourism came through clearly in the interviews and the workshop. Connections to the city's universities and colleges also offer opportunities for cooperation and partnerships.

5. Focus on quality of place.

Hamilton is rightly concerned about creating and retaining jobs. And the literature on creative cities suggests that jobs follow quality of place and quality of life, not the other way around. This means paying attention to the details of urban design and the public realm. These details also have important effects on the perception of safety, and thus on city revitalization. Neglected parks and streets lined with blank walls are not only ugly, but potentially dangerous places.

6. Build on existing green assets.

Hamilton already has some green infrastructure for green development, such as a district heating system, with combined heat and power (CHP) capacity in the downtown area. Researchers at McMaster University and Mohawk College are developing expertise in green technologies, such as biogas. The city has identified the importance of creating a community energy plan in the new Official Plan. Momentum is building for a Green City model, and new infrastructure and developments should be linked to that approach.



WEST HARBOUR
WATERFRONT

WEST HARBOUR
RAILYARDS

LISTER TO LIUNA

MCMASTER
INNOVATION PARK

HISTORIC CORE

Figure 12: Five districts identified for value uplift analysis

CIP boundary

LRT - King/Main



ESTIMATING THE RETURN ON INVESTMENT IN FIVE DISTRICTS

Knowing that a linkage exists is not the same as assessing the value of the linkage. The final part of the analysis looks at the potential return on investment in the five key districts.

We informed our analysis through the study of “analogues” – that is, we identified cities with an industrial heritage similar to Hamilton’s that had faced conditions similar to those currently existing in Hamilton and that had successfully transformed a particular district similar to the specific Hamilton district under study. For each district, we identified three analogues from the literature on urban revitalization and conducted further analysis to choose the most comparable analogue.

First, we examined three “macro” factors: municipal revenues per capita, municipal expenditures per capita, and the Bohemian index⁴ to select appropriate cities of analysis. This is to make sure that our analogue studies for Hamilton are based on cities that have similar geographic, demographic and financial characteristics.

Second, we looked at the following criteria for each specific district of interest:

- » scale (land area, population);
- » transit connectivity (availability of transit within the precinct);
- » road connectivity (the level of connectivity for vehicle traffic);
- » pedestrian/cycling connectivity (the level of connectivity for pedestrian and cyclists);
- » quality of environment (sense of place, public spaces, and attractions);
- » mission (the city’s vision/strategy for transforming the district).

We developed a score for all nine measurements for each of the three candidate analogues (from three different North American cities) identified for each district type. The score value ranges from -2 to 2 to indicate how similar or dissimilar the chosen analogue (as it is now) is to the expected precinct scenario in Hamilton in 15 years’ time. A positive number means the analogue is performing better than Hamilton would, 0 means it is comparable, and a negative means the analogue is not performing as well as Hamilton would.⁵ The best analogues are those in which the score for each criterion under study is closest to 0.

Finally, using the analogue that best fit the Hamilton district under study, we analyzed the likely development responses to specific infrastructure investment (foundational projects) as identified earlier. This involved sites within each district where development is feasible, appropriate, and likely to occur. For each specific development site identified, we calculated the current assessment and taxes (based on existing buildings). Then we calculated the future potential assessment value and taxes for a substitute development on the site. To determine the potential development response, we used examples of building drawn from the analogue cases to project the type of development (scale and type) that might occur in Hamilton in response to the proposed infrastructure investments (foundational projects). We then calculated the “uplift” – which is the difference in assessment and taxes when comparing existing development with the projected development response to foundational infrastructure investments. The details of the calculations can be found in Appendix A.

For each analysis, we have provided the following:

- » features of the Hamilton district and proposed infrastructure investments for the district;
- » highlights of the analogue city district;
- » a map showing the location of the development project sites that we identified;
- » comments on why what worked in the analogue city has the potential to work in Hamilton;
- » a table showing the increased assessment value and taxes of development on select project sites, and the total for all project sites identified.

⁴ The Bohemian index is a measure developed by Richard Florida in *The Rise of the Creative Class* (HarperCollins, 2005). It represents an estimate of the proportion of artists, writers, and performers in the population.

⁵ For example, we considered the “transit connectivity” measurement of the Cultural District in Pittsburgh, which is located on the edge of the light rail subway system, only moderately well served by public transit. Visioning Hamilton’s cultural district in 15 years is expected to be crossed by the north-south LRT line, as well as continuing to be accommodated by sufficient public transit, therefore it scores a -1 for this analogue.



Figure 13: James Street North, Hamilton, Ontario



Figure 14: Sidewalk cafes in the Warehouse District, Cleveland

HISTORIC CORE

The historic core of Hamilton contains many of the city's heritage buildings, but is also an anchor in terms of access to existing local and regional rapid transit. The area also contains many of Hamilton's hospital and medical support services.

FEATURES AND PROPOSED INFRASTRUCTURE INVESTMENTS

Opportunities: transit, density, heritage buildings

Challenges: degraded quality of place, wide one-way streets, vacant and abandoned buildings

Key infrastructure investment: LRT

Supporting infrastructure investment: new convention centre, revitalization of Jackson Square, improved public spaces and parks

Prerequisites: development corporation, financial tools

BEST ANALOGUE: WAREHOUSE DISTRICT, CLEVELAND, OHIO⁶

The warehouse district is in similar scale to Hamilton's core, but developed to a much higher density. Connectivity by public transit is also similar, with bus transit and one metro station near the boundary of the area. The district is well known for its abundance of historic warehouses and residential buildings, which have benefited from ongoing redevelopment for commercial and entertainment purposes since the early 1980s. Young, creative residents and workers are highly attracted to the area, which has fostered historic resource preservation and furthered cultural activities and investments. After such a dramatic transformation, the City of Cleveland is now working to stabilize the area to support the residential and commercial components and attract new retail and talent.

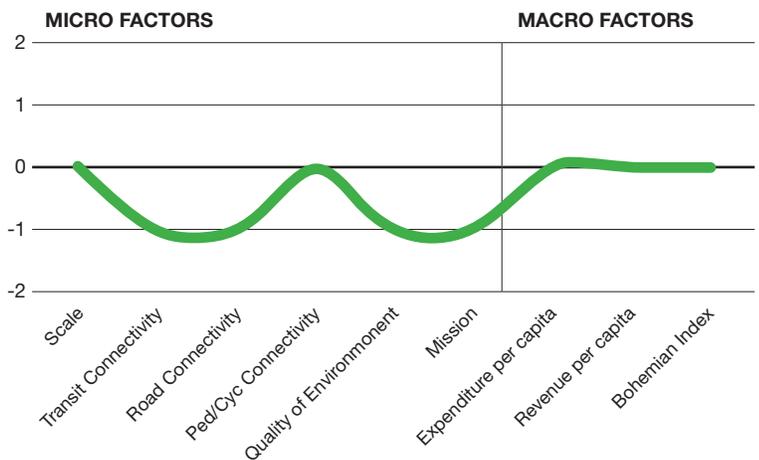


Figure 15: Range for Warehouse District, Cleveland

WHY WOULD DEVELOPMENT SIMILAR TO THAT IN THE ANALOGUE BE SUCCESSFUL IN HAMILTON?

Cleveland’s mission in the warehouse district was to save the city’s oldest commercial buildings and transform them into a vibrant residential downtown neighbourhood. The transformation was initiated by the Historic Warehouse District Development Corporation (HWDDC), formed to assist with land assembly and raising capital for investments, which renovated the historic buildings and attracted small architectural, advertising and graphic arts enterprises. Since the mid-1980s and with the decline of the commercial real estate market, mixed-use residential redevelopment became the primary focus of redevelopment activity. In 1991, HWDDC produced a Housing Market Analysis to spur lenders, developers, and City officials to view the Warehouse District as a residential neighbourhood. As the major proponent for downtown living, HWDDC aggressively marketed the housing analysis, as well as conducted how-to seminars on historic tax credit projects.

Like Cleveland, Hamilton has a historic downtown core that contains the majority of the commercial office sector, caters to pedestrian activity and offers the potential for the inclusion of an LRT. At the same time, preserving the heritage assets and taking advantage of the opportunity to attract small and medium-sized enterprises will require a creative marketing strategy and improvements to the streetscape, as well as additional capital to offset heritage preservation activities and encourage the redevelopment of empty parking lots.

To move the process forward, a development corporation will be required that can connect landowners with new commercial tenants, including the arts community and NGOs. It will also be necessary to revisit the Official Plan provisions for height and density along the north-south spine of James Street, particularly from York Street north to the waterfront, to provide development opportunities that will capitalize on infrastructure investments in this area, and to ensure densities at levels sufficient to support transit and local businesses.

POTENTIAL INCREASE IN PROPERTY TAX ASSESSMENT AND TAX REVENUES FOR THIS DISTRICT

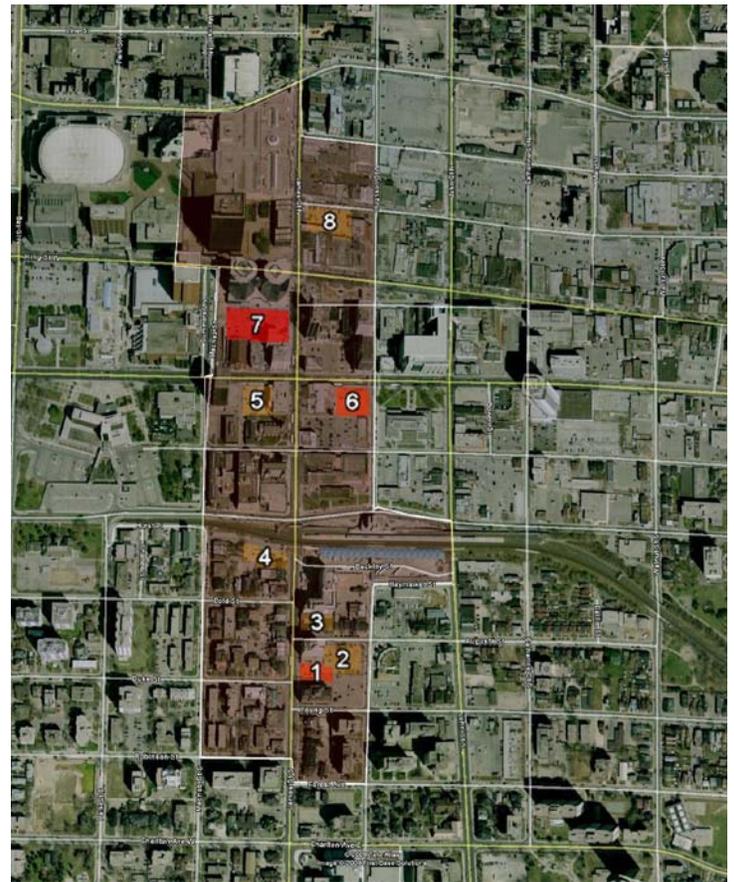


Figure 16: Areas of consideration and district projects in the Historic Core

AREA OF CONSIDERATION	DIRECT UPLIFT		
	Net Increase in Assessment (\$)	Net Increase in Property Taxes (\$)	Proposed New Land Use
<i>District Projects (see map)</i>			
Project 1	1,322,734	64,829	Office
Project 2	22,056,479	345,327	Residential
Project 3	7,198,000	308,434	Residential
Project 4	20,748,052	839,139	Residential
Project 5	21,033,177	354,114	Residential
Project 6	2,659,468	125,637	Office
Project 7	9,132,000	434,077	Commercial
Project 8	2,954,000	115,665	Residential
	\$87,103,910	\$2,587,222	

Figure 17: Uplift values by project and total direct uplift for historic core



Figure 18: James Street North, Hamilton, Ontario



Figure 19: Liuna Station, Hamilton, Ontario



Figure 20: Cultural District, Pittsburgh, Pennsylvania

LISTER TO LIUNA

James Street North has emerged as Hamilton's burgeoning arts and cultural district with galleries, entertainment venues, and lively arts festivals. The area also connects the downtown core to the waterfront and is expected to be the site of a new GO station providing all-day service as well as a VIA rail station. These additions could contribute to unlocking significant investment potential from commercial sports and residential opportunities. The GO and VIA rail station on the James Street Corridor could also help attract and retain new residents and small enterprises looking for established, connected, and vibrant streets.

FEATURES AND PROPOSED INFRASTRUCTURE INVESTMENTS

Opportunities: arts community, infill, the Armoury, mid-rise developments

Challenges: vacant lots, poor streetscape, poor connectivity

Key infrastructure investment: LRT, Liuna VIA/GO station

Supporting infrastructure investment: adaptive reuse of buildings, provision of studio and gallery space for artists

Prerequisites: development corporation

BEST ANALOGUE: CULTURAL DISTRICT, PITTSBURGH, PENNSYLVANIA⁷

The Pittsburgh cultural district is a similar size to the emerging cultural area in Hamilton, but nearly three times as dense. The area is similarly well served by bus transit and has one light rail station. Although the cultural area is bounded by major arterial roads, the district itself is considered very walkable. Local organizations host a variety of cultural events on a regular basis and the district supports an abundant creative class, while providing access to affordable and rental housing. The City of Pittsburgh is focused on promoting the district as an urban gathering place and encouraging mixed use development.

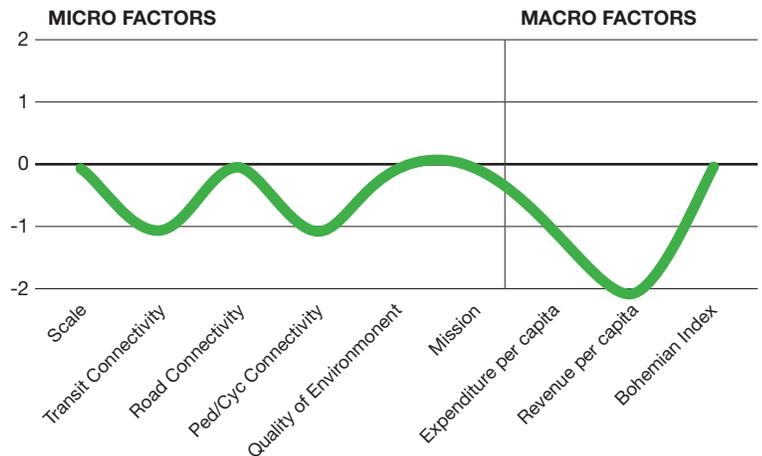


Figure 21: Range for Cultural District, Pittsburgh

WHY WOULD DEVELOPMENT SIMILAR TO THAT IN THE ANALOGUE BE SUCCESSFUL IN HAMILTON?

Pittsburgh created a downtown Cultural District Development Plan that included streetscaping programs, façade restorations, new cultural facilities, and public open spaces and art projects. All of these changes have been recommended as actions that would contribute to the revitalization of the Liuna to Lister district in Hamilton. The goal in Pittsburgh was to restore the buildings of the past and build a vibrant place that draws people to the downtown. The effort was successful because of generous support from local philanthropists, foundations, and public-private partnerships. The success of the plan in Pittsburgh is reflected in the level of investment attracted to this district, including the opening of 88 shops, 47 restaurants and cafes, six theatres, eight public parks and art installations, a dozen art galleries, and numerous commercial developments.

Hamilton’s emerging cultural district contains all the key elements for achieving a successful internationally recognized cultural area, including historic buildings and an established arts community that is working to promote Hamilton’s history and influence Hamilton’s emerging opportunities for economic development. One of the critical components that contributed to the success of the Pittsburgh district beyond regulatory and financial incentives was the general interest of local landowners in creating a community comprising employment opportunities as well as housing. Similar activities are already taking place along James St. to encourage mid-rise development and can be furthered through the coordination of various policies and tax incentives through an agency such as a development corporation.

One issue that is of particular importance in Hamilton is the addition of a GO/VIA station, in order to meet growing demands for rail service now, and for high-speed rail connections in the future. Because of the importance of this transportation connection, it will be necessary to reconsider the height and density provisions in the vicinity of the station.

POTENTIAL INCREASE IN PROPERTY TAX ASSESSMENT AND TAX REVENUES FOR THIS DISTRICT



Figure 22: Areas of consideration and district projects in the Liuna to Lister district

AREA OF CONSIDERATION	DIRECT UPLIFT		
	Net Increase in Assessment (\$)	Net Increase in Property Taxes (\$)	Proposed New Land Use
<i>District Projects (see map)</i>			
Project 9	6,032,000	245,812	Residential
Project 10	2,065,000	30,118	Residential
Project 11	15,435,558	647,881	Residential
	\$23,532,558	\$923,811	

Figure 23: Uplift values by project and total direct uplift for Liuna to Lister.

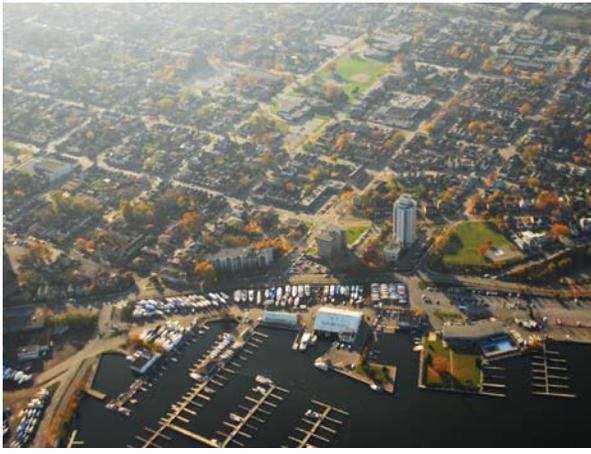


Figure 24: Williams Coffee Pub on Hamilton's waterfront



Figure 25: The waterfront in Buffalo, New York

WEST HARBOUR WATERFRONT

Although Hamilton has one of the largest Canadian ports on the Great Lakes, Hamilton's waterfront could be opened for investment and made more accessible to the rest of the city. Hamilton's West Harbour is among the opportunities for revitalization and is central to encouraging a wider redevelopment of the waterfront, as well as the downtown area. The recent opening of the Williams Coffee Pub provides an indication of the importance Hamiltonians place on connecting to the waterfront.

Many of the Hamilton stakeholders we interviewed recommended creating a new world-class convention centre on the waterfront. A new convention centre has been identified as one of the 25 foundational infrastructure investments. The establishment of such a facility would address the current shortage of conference and trade-show space in Hamilton and allow the City to participate in a business that generates more than \$4 billion per year in Canada in diversified economic impacts. The facility would allow Hamilton to compete for major events with other Canadian and international cities, while generating needed hotel rooms in the City and offering meeting space to support the growing requirements of the local institutional and hospital services community.

FEATURES AND PROPOSED INFRASTRUCTURE INVESTMENTS

- Opportunities:** commercial and residential development
- Challenges:** lack of connectivity to the rest of the city
- Key infrastructure investment:** LRT
- Supporting infrastructure investment:** new hotel and convention centre, residential and commercial development, airtram to Botanical Gardens
- Prerequisites:** development corporation

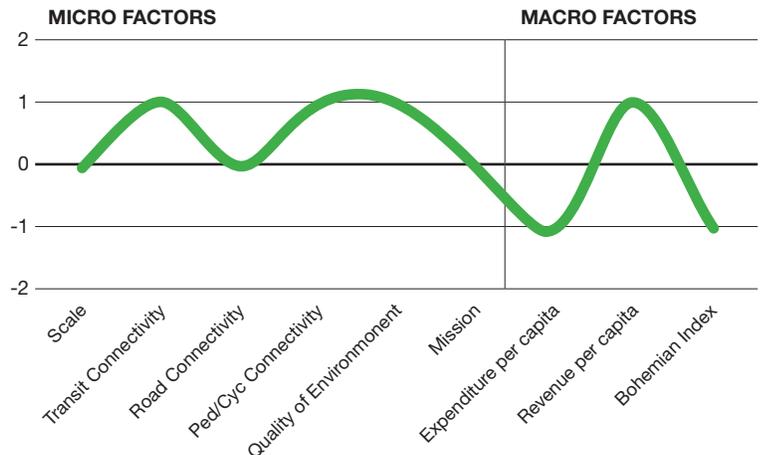


Figure 25: Range for Buffalo, NY

BEST ANALOGUE: WAREHOUSE DISTRICT, BUFFALO, NEW YORK⁸

Buffalo's waterfront area is of comparable size to that of Hamilton and its distance to downtown is also similar. Road connectivity is comparable (although there are fewer one-way streets), and there are established and well-connected walking and biking trails (the Riverwalk and the Greenway Trail). The City of Buffalo is in the process of reviewing the removal of the Outer Harbor Parkway to enhance the connection between downtown and the waterfront. Major redevelopment activities on the Buffalo waterfront have been initiated in areas that were traditionally devoted to heavy industry, but have made the transition to advanced manufacturing and other uses, including a proposed new museum on weather and considerable residential development. Buffalo is also developing its waterfront in the most environmentally and energy-efficient manner possible and is investing in the development of a wind power farm.

WHY WOULD DEVELOPMENT SIMILAR TO THAT IN THE ANALOGUE BE SUCCESSFUL IN HAMILTON?

Buffalo, like Hamilton, is making the transition from heavy industrial steel production to a more robust and diverse economy based in part on advanced manufacturing. Through the coordinated efforts of several federal, state, and local agencies, major activity is under way to once again open up Buffalo as a waterfront city. The City of Buffalo is committed to making its waterfront more accessible and environmentally healthy by reconnecting to local neighbourhoods, encouraging new cultural investment, and making improvements to the port to accommodate boating traffic and light industrial activity. Over 120 projects on eight sites have been identified for action. A central driving agent for the waterfront redevelopment is the Erie Canal Harbor Development Corporation (ECHDC) created in 2005 to spearhead the City of Buffalo's waterfront efforts. Since the establishment of the EDHDC, new projects worth nearly \$50 million have been undertaken, with expected new tax benefits of \$240 million over a 20-year period.⁹

Similar to Buffalo, Hamilton has identified the importance of using light rail infrastructure to unlock investment potential and to bring residents and businesses closer to the waterfront. The success of the Buffalo waterfront is documented by nearly 20 years of study and assessment of the potential for revitalizing the waterfront and focusing on strategic land-use opportunities and infrastructure. Hamilton is also ready for investment, having developed various plans and initiatives such as Setting Sail and Setting Sail II. Central to the rapid success of the Erie Canal and Western New York waterfront revitalization were the coordinated efforts of a development corporation that sought to bring together various agencies to facilitate the expedited revitalization of the waterfront for the benefit of local citizens.

POTENTIAL INCREASE IN PROPERTY TAX ASSESSMENT AND TAX REVENUES FOR THIS DISTRICT



Figure 27: Areas of consideration and district projects in the West Harbourfront

AREA OF CONSIDERATION	DIRECT UPLIFT		
	Net Increase in Assessment (\$)	Net Increase in Property Taxes (\$)	Proposed New Land Use
<i>District Projects (see map)</i>			
Project 13	4,198,750	170,397	Residential
Project 14	19,915,980	822,792	Residential
Project 15	1,221,225	47,112	Residential
Project 16	12,996,135	547,938	Commercial
	\$38,332,090	\$1,588,239	

Figure 28: Uplift values by project and total direct uplift for West Harbourfront

⁸ Other analogues considered and rejected as too dissimilar: Marathon Lands, Vancouver; Cleveland, Ohio.

⁹ In 2007, the ECHDC formed a partnership with the New York Power Authority to provide the corporation with \$3.5 million per year in funding for next 50 years.



Figure 29: West Harbour Railyards



Figure 30: SouthSide Works, Pittsburgh, Pennsylvania

WEST HARBOUR RAILYARDS

The West Harbour Railyard lands represent an opportunity for Hamilton to move closer to connecting the downtown to the waterfront and opening up the city's full potential to attract major sport, commercial and retail investment that could lead to needed employment opportunities while helping Hamilton become the best place in Canada to promote innovation, engage citizens and provide diverse economic opportunities.

FEATURES AND PROPOSED INFRASTRUCTURE INVESTMENTS

Opportunities: waterfront lands offer potential for increased assessment values

Challenges: brownfield remediation, need to retain some rail connections, the cost of moving some railways, lack of connectivity to downtown and the rest of the waterfront

Key infrastructure investment: LRT, municipal infrastructure, soil remediation, relocation of railways

Supporting infrastructure investment: new stadium, parks

Prerequisites: detailed value planning, financial tools

BEST ANALOGUE: SOUTHSIDE WORKS, PITTSBURGH, PENNSYLVANIA¹⁰

The SouthSide Works project in Pittsburgh is comparable in geographic size, population, and historical context to Hamilton. Situated in a major goods movement area, the SouthSide works represented the heart of industrialization with large steel plants. Today, the site is a revitalized brownfield master planned

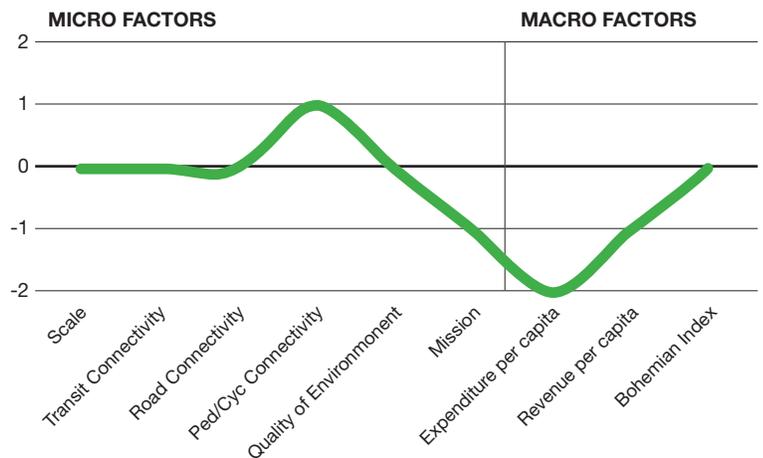


Figure 31: Range for Pittsburgh, Pennsylvania

¹⁰ Other analogues considered and rejected as too dissimilar: City Place on Railway Lands, Toronto; Bandit's Creek Crossing, Kelowna.

community that contains mixed-use development including a riverfront park, office space, housing, health-care facilities, and the Pittsburgh Steelers and Pittsburgh Panthers indoor practice field. SouthSide Works is well connected to bus routes, interstate highways, and arterial roads and offers excellent pedestrian connections within the district and to the riverfront. The City of Pittsburgh identified the SouthSide Works as an underutilized waterfront brownfield site with market potential to entice young people to work and live in the heart of the City.

WHY WOULD DEVELOPMENT SIMILAR TO THAT IN THE ANALOGUE BE SUCCESSFUL IN HAMILTON?

Since the height of its steel manufacturing days in the 1970s, Pittsburgh has lost 146,000 manufacturing jobs, but has generated as many as 168,000 new jobs in education, medicine, and back-office finance. Some of those new jobs are in the SouthSide Works, on the site of a former steel mill. Today the SouthSide Works has 330,000 square feet of retail, restaurants, residential condominiums, a hotel, and 660,000 square feet of Class A Office space. The district is expected to generate about \$7 million annually in new property taxes for the City. The transition from steel mill to mixed-use community took place, in part, through the vision and concerted efforts of the Urban Redevelopment Authority (URA), Pittsburgh's arm's-length economic development agency.

Hamilton has a similar opportunity to reconnect a valuable piece of its waterfront to the rest of the city and create a mixed-used development that would yield a significant return on investment and help rebuild the commercial tax base. The SouthSide Works is an innovative example of the variety of services and uses that are attracted to such spaces, including sports medicine and training facilities, retirement residences, and millions of square feet of retail, entertainment, and commercial space.

One important difference should, however, be noted: in Hamilton it is not proposed that the working railyards be eliminated entirely. With careful planning, the active railyards should remain as part of the fabric of the neighbourhood, much as they do in the redeveloped railway lands in downtown Toronto.

In keeping with the principle of connectivity, thought should be given to integrating the West Harbour Railyard with the proposed LRT system. An idea for development would be a loop from the Liuna Station west to link this district to both the West Harbour Waterfront and the James Street corridor.

POTENTIAL INCREASE IN PROPERTY TAX ASSESSMENT AND TAX REVENUES FOR THIS DISTRICT

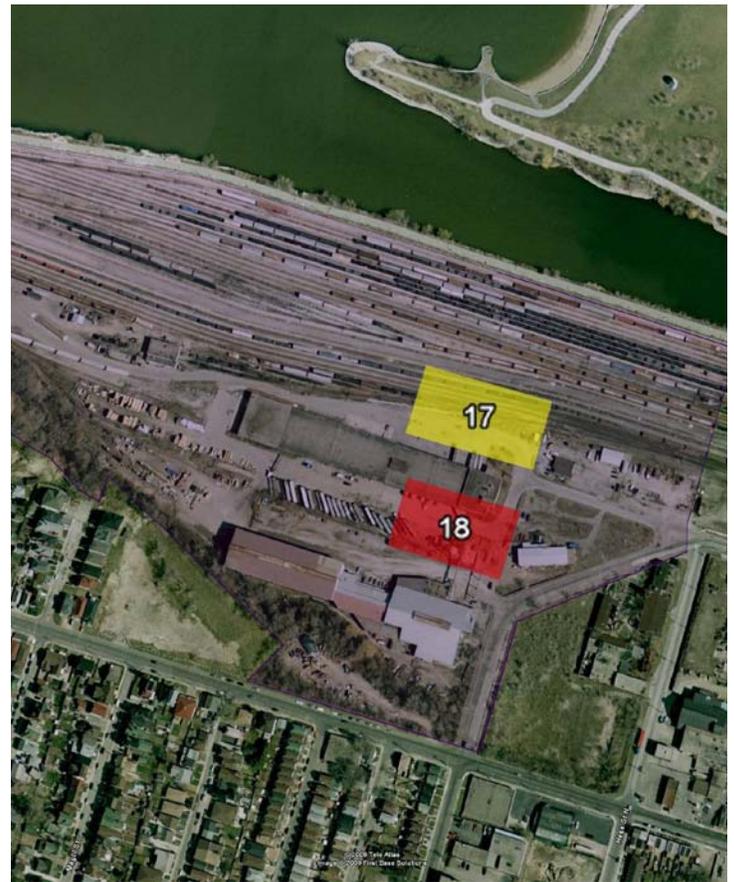


Figure 32: Areas of consideration and district projects in the West Harbour Railyards

AREA OF CONSIDERATION	DIRECT UPLIFT		Proposed New Land Use
	Net Increase in Assessment (\$)	Net Increase in Property Taxes (\$)	
<i>District Projects (see map)</i>			
Project 17	2,946,000	47,112	Residential
Project 18	2,117,000	101,154	Commercial
	\$5,063,000	\$148,266	

Figure 33: Uplift values by project and total direct uplift for West Harbour Railyards



Figure 34: McMaster Innovation Park



Figure 35: Demolition and construction in the Science & Technology Park in Baltimore, Maryland

MCMMASTER INNOVATION DISTRICT

Innovation parks have existed in Canada for over 30 years, with the first and most successful in Saskatoon, which focused on bioscience and agriscience. The role of an innovation park can vary from bringing new ideas and new companies to market, to encouraging spinoff companies to find permanent homes in the city of origin, to creating high-end employment or adding to a growing business cluster. In Ontario, there are more than six communities developing innovation parks in partnership with local universities and industry partners. Currently, the City of London and the City of Guelph are advancing their innovation parks with a focus on advanced materials. Hamilton has the opportunity to be among the first communities with an “eco” park focused on advanced manufacturing, while stimulating a smaller-scale “innovation neighbourhood” in the core of the city.

FEATURES AND PROPOSED INFRASTRUCTURE INVESTMENTS

Opportunities: proximity to university, mixed-use development, employment

Challenges: distance from downtown, brownfield remediation

Infrastructure investment: business incubator

Supporting infrastructure investment: LRT, cycling lanes, telecommunications

Prerequisites: development corporation

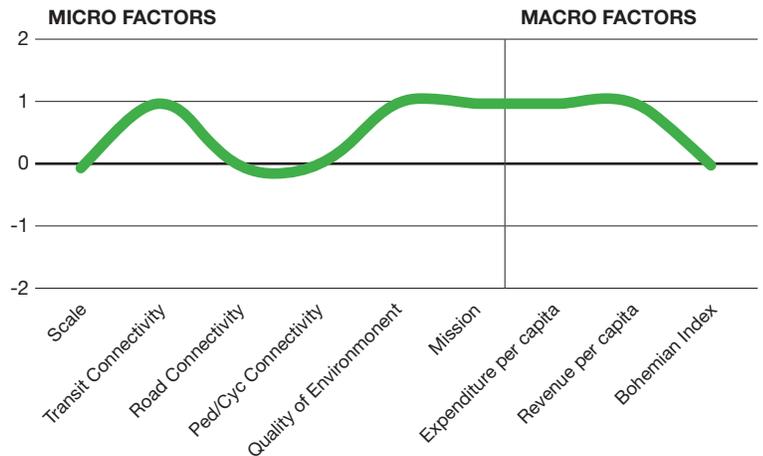


Figure 36: Range for Science & Technology Park at Johns Hopkins, Baltimore

BEST ANALOGUE: SCIENCE & TECHNOLOGY PARK AT JOHNS HOPKINS, BALTIMORE, MARYLAND¹¹

The science and technology park at the University of Johns Hopkins illustrates the potential for smaller-scale downtown revitalization in Hamilton and is comparable in terms of area, population, location relative to the downtown, and building types with the districts examined for Hamilton. The existing transit connectivity is fairly high in the park, with a subway station two blocks away connecting to downtown and the airport, and a commuter rail station nearby. The park is centrally located, close to the university and within a residential neighbourhood that is well connected to downtown Baltimore. The vision for the park includes the development of a wide variety of mixed-use building projects. The park has also attracted light industry, creating a research cluster in Baltimore’s east end. This redevelopment initiative is expected to anchor the surrounding neighbourhood development on the east side with mixed-income housing for buyers and renters.

WHY WOULD DEVELOPMENT SIMILAR TO THAT IN THE ANALOGUE BE SUCCESSFUL IN HAMILTON?

The Johns Hopkins Park was part of a larger community revitalization project intended to contribute to enhancing the existing local community while attracting investment, providing new space for spinoff firms and offering an attractive environment for the world’s leading talent to live, work and play. The success of the redevelopment of the science and technology park can be attributed to the establishment of East Baltimore Development Inc. in 2003 mandated to acquire buildings, undertake heritage preservation and revitalization, and partner with local developers. The initial redevelopment phase currently under way on the first of 31 acres is projected to yield nearly \$9.6 million in property taxes annually.¹²

There is an excellent opportunity for Hamilton to consider the potential to partner with local institutions, including hospitals, colleges and the university, to evaluate how future research and innovation facilities not well suited to an advanced research or business cluster park could contribute to Hamilton’s downtown or waterfront area. The process, as undertaken in Baltimore, can be accelerated through the deployment of a development corporation. A development corporation could also help to market and advance the development of Hamilton’s existing innovation district by encouraging the development of an “eco-friendly” park. Eco-parks support local economic growth by attracting green enterprises and can incorporate progressive alternative and renewable energy sources.

POTENTIAL INCREASE IN PROPERTY TAX ASSESSMENT AND TAX REVENUES FOR THIS DISTRICT

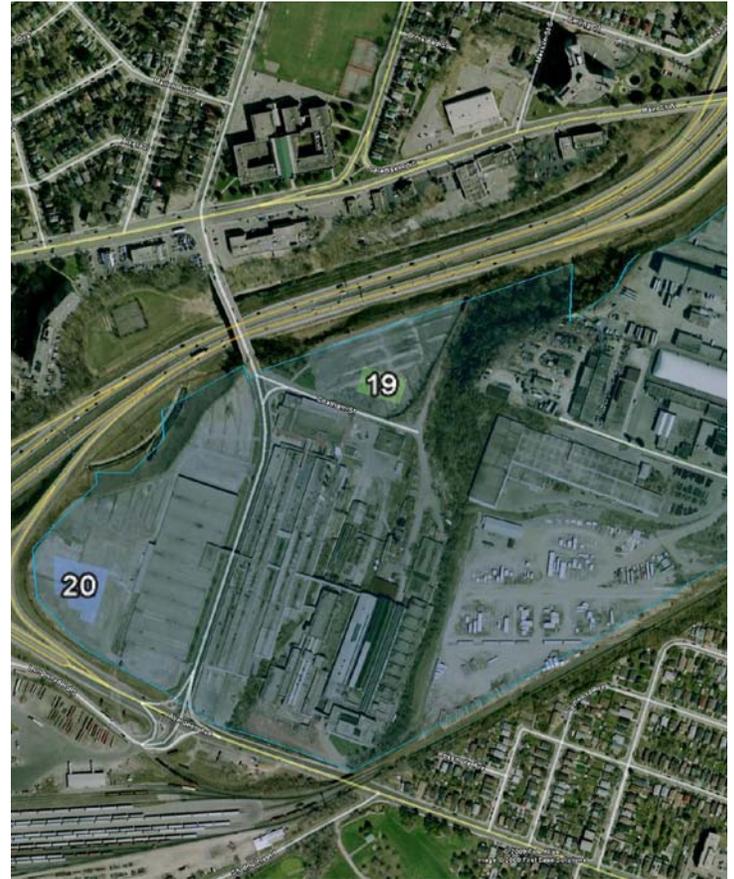


Figure 37: Areas of consideration and district projects in the McMaster Innovation Park

AREA OF CONSIDERATION	DIRECT UPLIFT		
	Net Increase in Assessment (\$)	Net Increase in Property Taxes (\$)	Proposed New Land Use
<i>District Projects (see map)</i>			
Project 19	6,516,747	329,050	Residential
Project 20	4,516,000	451,807	Light Industry
	\$11,032,747	\$780,857	

Figure 38: Uplift values by project and total direct uplift for McMaster Innovation Park

¹² “Building a Technology Park in Baltimore by Rehabilitating a Neighbourhood,” *New York Times*, August 6, 2008.

VALUE UPLIFT SUMMARY

The estimates generated for improvements in assessment value are conservative and are based on the additional assessment created through the development of specific sites.

From the calculations performed as part of the analysis, the increase in municipal assessment from the 20 projects identified in the five districts would increase Hamilton's total tax increment by \$6 million annually.

The value uplift calculations undertaken for the five precincts was limited to specific sites, rather than an entire street, neighbourhood or precinct, and thus do not capture the entire revenue-generating potential that can occur following strategic investment in infrastructure and redevelopment.

The estimate of direct uplift associated with the 20 projects also does not include the decrease in vacancies, increases in rents, and increases in property values for other projects in each district, nor the spillover benefits outside the borders of each district. Nor does it capture the increased power of Hamilton to attract investments city wide, tied to a gradual transformation of the image of Hamilton's core.

Developing a full assessment of the revenue-generating potential of various foundational projects, such as the proposed LRT system in Hamilton, requires a full value planning study along an entire route to determine just how much additional revenue can be leveraged to offset public-sector investments based on expected market conditions. It also requires the insights of various development specialists, such as local developers, brokers and landowners to identify properties suitable for early development to unlock the revenue-generating potential of an entire area.

ENSURING THE PREREQUISITES FOR CHANGE ARE IN PLACE

A. PROCEED WITH CREATING AN ARM'S-LENGTH DEVELOPMENT CORPORATION

What

The City of Hamilton needs to send the right market signals by proceeding with the establishment of an arm's-length corporation mandated to stimulate urban revitalization by fostering a climate in which business and government can work together. This model has worked well in other jurisdictions, although the form it takes varies widely from place to place. Hamilton will need to assess its own needs and develop its own unique model that builds on the city's strengths.

We recommend that the City of Hamilton create a development corporation with a city-wide mandate. Development corporations are most effective when they can leverage revenues from low-risk projects to offset the higher costs associated with more challenging projects. Geographically constrained development corporations, which are more common in Canada, become economically constrained development corporations and frequently fail to achieve their objectives within expected timeframes.

Why

The City of Hamilton faces challenges to revitalization that a development corporation can help overcome. There are multiple landowners, agencies and trusts attempting to undertake separate and non-coordinated activities, whereas municipal redevelopment incentives and strategic actions need to be coordinated with the local business community and private-sector investors. The City has already acknowledged the importance of a coordinating body that can contribute to working with multiple landowners and has commenced with a preliminary assessment of how a development corporation might be formed.

A development corporation can:

- » manage and facilitate the development of City-owned properties;
- » encourage integration of affordable housing in all project areas;
- » manage a strategic asset agreement for the City to assemble, sell and develop under-utilized assets and land;
- » adopt a partnership approach to capitalize on the expertise of the private sector and the policy development strength of government;
- » assemble public-sector incentives and mobilize public-sector capital to achieve public policies and goals;
- » advocate for the needs of both the private sector and local citizens to government and advocate the benefits of public policies to the private sector;
- » serve as the interface between the public sector and private corporations in the community.

How

The City of Hamilton should:

- » Implement the Hamilton Downtown Venture concept to plan, coordinate and implement revitalization activities in the downtown and along the waterfront in order to increase the economic assessment of Hamilton's downtown (an increase in tax base) and waterfront, increase the upscale residential and commercial component of Hamilton's downtown and waterfront; make the downtown attractive for tourism and recreational activities; and create vitality and optimism in the downtown and waterfront.
- » Create a downtown and Waterfront Initiatives Committee that can advise on stimulating private-sector development in the downtown, including the location and operation of a new stadium.
- » Review the need to extend the Community Improvement Plan area and designate the Urban Growth Centre to focus development along James Street and in the West Harbour area.
- » Assess and develop a strategic asset plan for under-utilized or surplus city properties in the five districts.
- » Assess the potential to increase the growth target¹³ for the Urban Growth Centre in the provincial Growth Plan for the Greater Golden Horseshoe (Places to Grow), based on a full value planning assessment of the downtown area.

B. PREPARE A COMPREHENSIVE FINANCING STRATEGY

What

The City of Hamilton needs to mobilize limited resources through integrated strategic investment and planning to maximize value and build the tax base.

Why

The City of Hamilton has a variety of incentive programs that are limited to supporting only the designated community improvement plan area. At the same time, smaller-scale developers and businesses in downtown Hamilton face difficulty in securing credit requirements from banks for development improvements. There is a need for allocated funds for strategic investment widely dispersed across the City of Hamilton.

How

- » Reassess the opportunity to set aside 1% of the municipal tax base for one year to re-stimulate the Urban Development Bank for the purposes of downtown and waterfront investment.
- » Prepare a comprehensive integrated planning and market assessment for all foundational projects along the proposed LRT line to assess their full potential to offset investment and capture value; this assessment would be the basis for the use of bonds and other financial instruments in the downtown and waterfront areas.

C. MAINTAIN MOMENTUM WITH QUICK WINS

What

There are many opportunities to engage residents with smaller-scale programs that require limited investment, while yielding benefits that support the bolder moves.

Why

Hamiltonians want to see a revitalized downtown and vibrant waterfront area where people want to live, work, play, and invest. Residents want to experience civic pride, commitment and ownership towards the downtown and waterfront. "Quick wins" can stimulate new kinds of thinking about the City of Hamilton, its role in the economy, and its sense of place, while demonstrating a commitment to change and revitalization.

How

The best projects are those that are unique to the city, and grow out of existing initiatives and priorities. To stimulate thinking about the kinds of projects that are possible, we offer the following examples from other cities that have generated benefits and supported larger-scale efforts by enhancing public space, involving residents in civic beautification and upgrading efforts, and demonstrating a commitment to revitalization and sustainability.

Festivals: Hamilton already has many special events that engage residents and draw tourists, from its Mustard Festival to its Fringe Festival. However, there is room for additional events that focus on Hamilton's strengths. One example is the Chicago Green Festival, which showcases local and national green businesses, and includes presentations, displays, and workshops, as well as live music and activities for children.

Bicycle rental programs: Cities from Montreal to Paris to Shanghai have launched hugely popular bike-sharing programs. Bicycles are docked at stations around the city; users swipe a credit card or transit pass to release the bicycle, and can return the bicycle to any station of their choice. As the *New York Times* noted, "In increasingly green-conscious Europe, there are said to be only two kinds of mayors: those who have a bicycle-sharing program and those who want one."¹⁴ The bicycles are heavily used by commuters and students; some programs also allow use by tourists and visitors, such as the Bixi program in operation in the City of Montreal and the City of Ottawa. The benefits include reduced emissions, traffic-calming and greater awareness about walking and physical fitness.

¹³ The current target for Hamilton is 195 jobs and people per hectare by 2015. Hamilton is already close to this level, yet the downtown is still pockmarked with parking lots and vacant properties; it has considerable potential to exceed that density while remaining livable and relatively uncongested.

¹⁴ "European Support for Bicycles Promotes Sharing of the Wheels," *New York Times*, Nov. 11, 2008.

“Lights on Upstairs” strategies: Cities such as Philadelphia are working to encourage the occupation of otherwise empty space over downtown stores, particularly in historic buildings, through programs that pre-zone the spaces for live-work and other uses and revolving funds for rehabilitation of the space.

Public art: Public art programs are well established in most cities, but a few cities have combined public art with other programs to gain additional benefits. For example, Portland has public art that doubles as bicycle racks. Public art as a deterrent for graffiti is also well established; in Toronto, for example, schoolchildren were invited to create colourful paintings on formerly grey, graffiti-scarred utility boxes in the city’s east end; the painted boxes add colour to the streetscape and deter further graffiti.

Design competitions: Design competitions are a cost-effective way to attract interest in an area and benefit from the creativity of a wide variety of individuals and groups. Some are open to students only; others attract participation from professionals around the world. The City could designate a city-owned site for a design competition to find new uses that would offer spin-off benefits to the surrounding area. An example could be the revitalization of a parking lot or parking structure or the introduction of a new mobility option that can support the expected LRT system and tourism in Hamilton, such as an AirTram (that is, a gondola) from the waterfront to Burlington.

Fast Tracking Sidewalk Cafes: “Al fresco” dining and socializing in summer is considered a major ingredient in encouraging vibrant street life in cities across Europe and in North America. The installation of sidewalk cafés can boost economic success for retail stores, attract tourists, and support pedestrian environments. In the Regional Municipality of Halifax, the City, a BIA, and local restaurant owners partnered to use sidewalk cafés to calm major streets and minimize interference with main sidewalks through the issue of permits for boulevard extensions to restaurants, pubs and coffee shops. The cities of San Francisco, Seattle, and Portland have also initiated “fast-tracking” options for issuing open-air café permits during the summer months.

“WE ARE ON THE VERGE OF SOMETHING SPECTACULAR”

Many of our interviewees captured the sense of possibility in comments like the one that is the title of this conclusion.

“Hamilton has all the necessary elements to be a great city... It has a small big town feel.”

“Hamilton is strategically located and is becoming a transportation hub.”

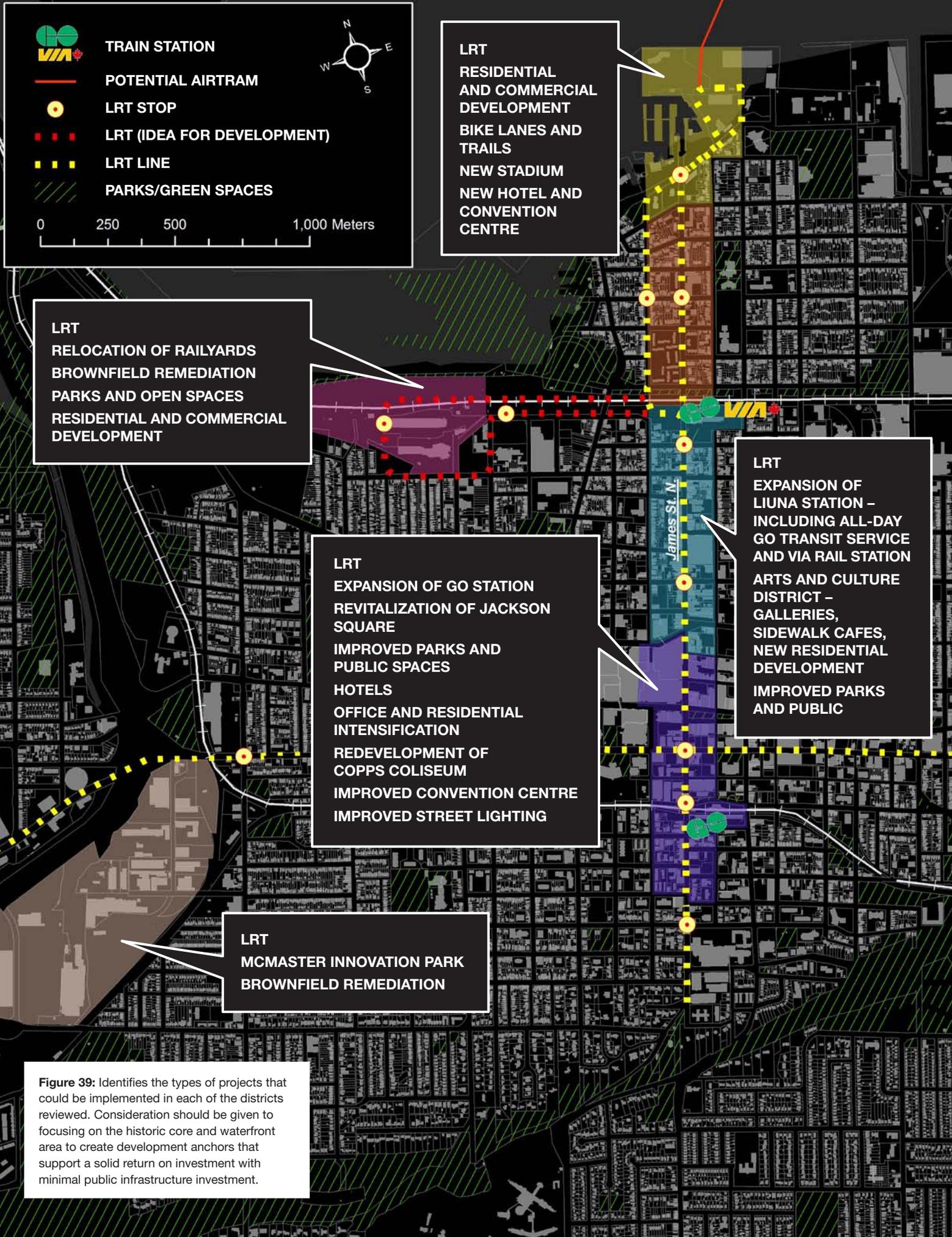
“Hamilton is starting to play a huge health care role in the region.”

“There is potential to increase tourism, since there are many heritage buildings, the escarpment, and the harbour.”

“It is important for the city to commit to their vision and start developing projects today.”

At the same time, interviewees also emphasized the need to be strategic in the implementation of foundational projects. Not all of the foundational projects identified in this report can be initiated simultaneously and some could have unanticipated consequences if not coordinated with existing Hamilton activities.

The City needs to capitalize on this optimism and commit to the big moves necessary to allow Hamilton to achieve its potential and create a revitalized Hamilton for the 21st century.



TRAIN STATION

POTENTIAL AIRTRAM

LRT STOP

LRT (IDEA FOR DEVELOPMENT)

LRT LINE

PARKS/GREEN SPACES

0 250 500 1,000 Meters



LRT
RESIDENTIAL AND COMMERCIAL DEVELOPMENT
BIKE LANES AND TRAILS
NEW STADIUM
NEW HOTEL AND CONVENTION CENTRE

LRT
RELOCATION OF RAILYARDS
BROWNFIELD REMEDIATION
PARKS AND OPEN SPACES
RESIDENTIAL AND COMMERCIAL DEVELOPMENT

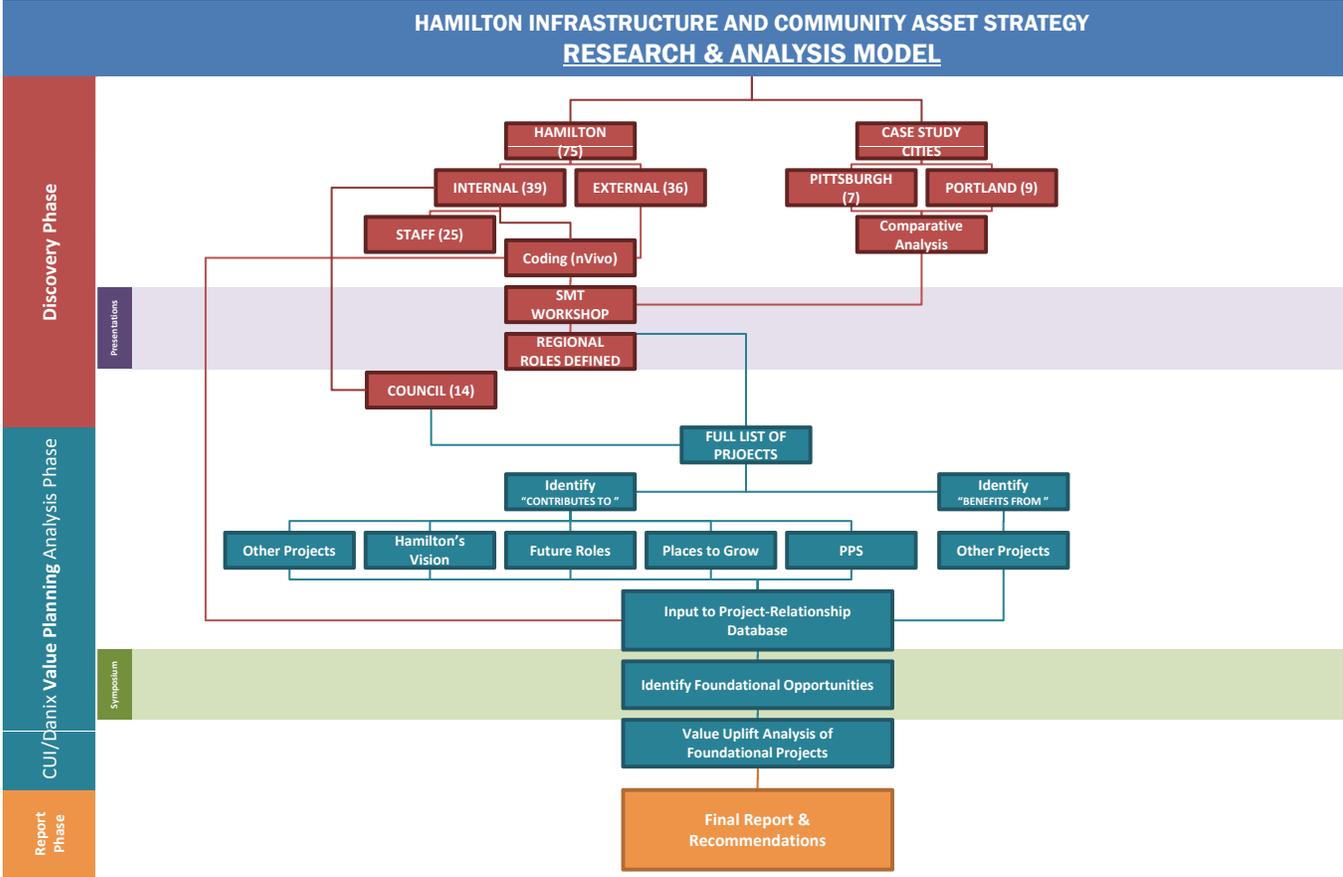
LRT
EXPANSION OF GO STATION
REVITALIZATION OF JACKSON SQUARE
IMPROVED PARKS AND PUBLIC SPACES
HOTELS
OFFICE AND RESIDENTIAL INTENSIFICATION
REDEVELOPMENT OF COPPS COLISEUM
IMPROVED CONVENTION CENTRE
IMPROVED STREET LIGHTING

LRT
EXPANSION OF LIUNA STATION – INCLUDING ALL-DAY GO TRANSIT SERVICE AND VIA RAIL STATION
ARTS AND CULTURE DISTRICT – GALLERIES, SIDEWALK CAFES, NEW RESIDENTIAL DEVELOPMENT
IMPROVED PARKS AND PUBLIC

LRT
MCMASTER INNOVATION PARK
BROWNFIELD REMEDIATION

Figure 39: Identifies the types of projects that could be implemented in each of the districts reviewed. Consideration should be given to focusing on the historic core and waterfront area to create development anchors that support a solid return on investment with minimal public infrastructure investment.

APPENDIX A: METHOD OF ANALYSIS



The Discovery Phase

We began this phase by interviewing approximately 80 internal and external stakeholders in the City of Hamilton. A full list of stakeholders can be found in Appendix D. The interviews included members of the Senior Management Team from the city, councillors, and members of key institutions and corporations.

- The interviews focused on four areas of inquiry:
- » Hamilton’s changing role in the regional economy
 - » Infrastructure needs (both short and long term)
 - » Partnering opportunities and spatial relationships between projects
 - » Balancing the need to invest in existing infrastructure with the creation of new infrastructure to advance Hamilton’s role in the economy.

In the first part of each interview, we asked, “What do you think is Hamilton’s potential role in the Toronto–Buffalo corridor’s regional economy looking 50 years forward?” Our starting point was to understand and assess Hamilton’s potential. We heard many creative ideas from the community.

We then asked the interviewees to draw on a map the location of specific infrastructure projects that would allow the city of Hamilton to achieve that vision. This list would allow us to consider all possible projects and linkages.

We took all these responses and reviewed them to create a database that would allow us to group this information into themes, a process called coding. The key component was to determine a list of projects and initiatives to evaluate. We also took into account the list of infrastructure projects and requests that the city already has in place.

Parallel to the ongoing local interviews, we conducted 16 international interviews with business leaders, politicians, development corporation staff, and city staff in two additional cities: Pittsburgh and Portland. We presented the initial interview findings at the Senior Management Team workshop held in March 2009 and provided some insights from the case study cities at that session to get people thinking about the prerequisites that need to be in place before making investments in infrastructure and community assets (such as defining the likely future roles for the Hamilton region within the larger regional economy).

We presented the initial findings to the City of Hamilton’s Senior Management Team to help build consensus on what we had heard to date and confirm that we were on the right track. More information from the workshop is presented in Appendix C.

The final product from the discovery phase was a list of nearly 100 projects that we analyzed in the value planning phase.

The Value Planning/Analysis Phase

Value planning has two components. The first is strategic. Its objective is the short-listing of foundational projects, from the full list of potential investments, to arrive at an integrated strategic investment plan aligned to the municipal Vision.

The second component is tactical. Its objective is to maximize return on each investment element within the investment plan.

Step 1: Identify possible projects, linkages and foundational projects

The initial steps in the Value Planning process serve to narrow down the full list of projects. This involved comparing each project with every other project on the full list to determine the “contribution to” and “benefit from” each project to each other project. The full list of projects was then evaluated against Ontario’s Provincial Policy Statement, the objectives of the Places to Grow Growth Plan, plus Hamilton’s statement of Vision and Roles.

A relational database was created to capture the results of the pair-by-pair analysis and the alignment with provincial and municipal policy objectives. Each project was scored in terms of its contribution to all other projects and to provincial and municipal policies.

From this scoring, a list of “foundational” opportunities was determined. A foundational project is one which:

- » is valuable in its own right;
- » stimulates productivity and economic competitiveness;
- » offers a clear return on investment;
- » provides a platform for other projects (it is not a “one-off” or isolated asset);
- » meets municipal priorities and provincial priorities;
- » contributes to quality of place and quality of life.

The next step was to map the linkages between foundational projects and all other projects from the full list to identify “clusters.”

The list of foundational projects and the linkages map illustrating clusters was then further refined to short list priorities from within the list of foundational projects – by examining relative importance, traction in the community, and identification of a project champion. This refinement process was undertaken by a group of municipal leaders as described more fully in Appendix C. The result of the refinement was the identification of a number of potential, linked, foundational investments projects clustered into districts.

Step 2: Search for analogues that represent what these districts could become

A number of case study areas outside Hamilton (similar to the districts identified in Hamilton) were examined to determine the character of redevelopment that has occurred.

These “analogues” were rated for “fit” to the Hamilton situation using the following criteria:

Macro factors

- » municipal revenue per capita
- » municipal expenditure per capita
- » Bohemian index (% of artist and other creative industry workers)

Micro factors

- » scale
- » connectivity
- » quality of the environment
- » mission/ strategy

Step 3: Identify the types of development response

Next, the Hamilton districts were examined to identify sites that could be expected to respond, through development or redevelopment, to the influence of the identified public investments (e.g., the proposed Light Rapid Transit line along James Street), using the “analogues” as a guide to the form and scale of the projected development response.

Step 4: Identify specific project sites

We identified sites within each district where development is feasible, appropriate, and likely to occur. This step involved looking at orthophotos and maps, and other spatial data to identify parking lots and or underutilized buildings within each district.

Step 5: Record existing assessment and taxes for project sites

For each project site, we gathered from the online Hamilton database, the current assessment and tax data. This represents the “before” assessment value.

Step 6: Identify similar developments in Hamilton

The objective was to identify developments in Hamilton comparable to the development propositions for the project sites as drawn from our examination of the analogues. We identified, through Geographical Information Systems, various types of buildings (residential, commercial, office, and industrial) in Hamilton that could be created on the project sites.

Step 7: Remove existing development on project sites and insert development propositions

For each project site, we modelled a future state by “removing” the existing development and “inserting” the comparable developments identified in step 6. Depending on the type of development proposed, a change in land use may be required.

Step 8: Model assessment and taxes after insertion of development proposition

Once the existing development was removed, we calculated the assessment and taxes for the inserted projects. This represents the “after” assessment value.

Step 9: Calculate net gain in assessment and taxes

We subtracted the “before” assessment and tax value from the “after” assessment and tax value. This provided the “direct” uplift associated with the identified development projects.

Step 10: Sum net gain in assessment for all districts

A final step was to calculate the sum of the net gains in assessment and taxes for each project site and present it by total uplift for each district.

APPENDIX B: CASE STUDIES IN DETAIL

HOW PITTSBURGH MANAGED THE TRANSITION TO A CREATIVE ECONOMY

A few years ago, visitors to Pittsburgh would have instantly known that they were in one of the world's predominant heavy manufacturing centres. Yet today, without knowing its history, a visitor would be hard pressed to identify it as a steel town. The steel mills that once lined the shores of two intersecting rivers have now mostly vanished. Through a series of strategic investments in infrastructure and the public realm by government, the private sector, and local foundations, Pittsburgh has transformed itself. Even the "US Steel" tower, as it is still known, now sports the initials of its new tenant: UPMC (University of Pittsburgh Medical Centre).

Since the height of its steel manufacturing days in the 1970s, Pittsburgh has lost 146,000 manufacturing jobs and close to 300,000 residents, but it has generated as many as 168,000 new jobs in education, medicine, and finance, and has halted its population losses.

Pittsburgh's recent transformation has been driven by the City's desire to redefine its regional identity and become known as a centre for health services and the bio-sciences, drawing on its two largest academic assets: UPMC and Carnegie Mellon University.

Pittsburgh faced roadblocks on its way to halting decline. These included vast tracts of contaminated brownfields, a sense among the public that investing in steel mills would be more valuable than investing in developing a knowledge economy, and a major league baseball team ready to leave a city that already had low self-esteem.

Removing the industrial scars of the past

Under the leadership of former mayor Tom Murphy, the city saw its most significant transformations. Before Murphy's election in 1993, the city's regeneration efforts had lacked a coherent long-term strategy. By the early 1990s, the city recognized that to keep its existing residents and attract new ones, it would need to create new neighbourhoods and retail destinations within the city limits and restore its polluted natural areas.

Together with the Urban Redevelopment Authority (URA), Pittsburgh's economic and land development agency, the city launched a process to identify areas that would provide the greatest benefits in both assessment value and social value – a technique the city still uses.

This process involves using GIS to identify the market value of various different housing markets within the city. Areas with depressed land values that are close to areas of significantly higher value are targeted for public investment. In some communities,

those investments have included community infrastructure like new library facilities; in other areas remediation of contaminated soil was the leading issue.

These principles have led to a range of coordinated projects in Pittsburgh. The SouthSide Works community, for example, is built on the site of one of the city's largest former steel mills. Today it is home to 330,000 square feet of retail, restaurants, condominiums, a hotel, training facilities for the NFL and university football teams, a sports medicine centre, and almost 700,000 square feet of new Class "A" office space. The URA led the process and worked with the city to coordinate financing and partnerships to make the \$300-million project work with only \$60 million in public funding (excluding funds from tax increment financing, the URA and city contributed \$23 million; the remainder came from higher orders of government).

Another successful brownfield redevelopment is the community of Summerset at Freck Park, close to Squirrel Hill, one of the city's most affluent neighbourhoods. In the 1920s, the steel mills used Freck Park to dump slag. In 1995, the URA bought the 200-acre slag heap and put together a remediation and redevelopment plan. The URA and the city undertook an ambitious plan to redevelop the site for residential use (mainly single family and semi-detached homes).

To build the \$269-million, 730-unit project, the city invested in studies, remediation, re-grading and the installation of liners and retaining walls to capture the alkaline seep from the slag. With the help of the Army Corps of Engineers, the Nine Mile Run River at the base of the Freck Park hill has also been remediated and a recreational trail system constructed, linking the community to a riverfront trail system that extends to Washington, D.C.

Before the recession, the average cost of one of these new homes in Summerset exceeded the city's expectations by as much as \$50,000 a unit. Over the long term, the city expects a good return on its investments in real estate alone, excluding the value gained by helping to remove the stigma associated with being a city of brownfields.

Downtown investments that redefine the city

While brownfield regeneration projects have helped spur new development and change Pittsburgh's image, the biggest boost came 10 years ago, when the newly elected mayor got a call from the chairman of Pittsburgh's baseball team, informing him that the Pittsburgh Pirates were to be sold and would likely leave the city. Murphy was concerned about the economic and psychological impact of the loss of the Pirates. His actions led to the Regional Destination Financing Plan, and ultimately to an investment of more than \$1 billion in infrastructure spending in the downtown over an eight-year period.

The impact of baseball on everything from economics to pedestrian activity is roughly 10 times that of football, largely because so many more games are played each season, mainly on weeknights. Because of this difference, baseball has the unique

ability to capture downtown pedestrian traffic – catering to the after-work crowd – which contributes to the downtown economy. (Football, on the other hand, attracts a limited number of weekend visits from suburban patrons.) An additional challenge facing Pittsburgh was that major league baseball insisted on a new stadium as a condition of allowing the team to stay, replacing the cavernous multi-purpose stadium in use at the time. Meanwhile, the city had already decided to build a new convention centre and the Steelers football team had begun to lobby for a new stadium.

The city developed the following criteria to determine where to locate each facility:

- » Are there viable commercial ventures in the vicinity of the proposed facilities?
- » Is there room for additional commercial and or residential anchors to ensure a balanced, year-round clientele for businesses in the area?
- » What is the potential for enhancing pedestrian traffic in the vicinity of the facilities?

The result was a set of strategic decisions. A potential stadium site served by light rail was reserved for office development (used by a major bank that had threatened to leave). The new baseball stadium was located across the river from downtown. Provisions were made to close the adjacent bridge to vehicles on game nights to ensure access for pedestrians. Parking lots near the stadium that will support midrise office development in the long term were developed with the help of TIF funds and high-quality urban design. PNC Park, which opened in 2001, is considered one of the best ball fields in North America. An interesting design feature is that you can walk around the stadium and not know what it is until you look up to see its floodlights.

The new convention centre was constructed on the south shore within walking distance of both the stadium and the downtown. It is a LEED Gold building offering more than 300,000 square feet of space. Additional investments by arts foundations have helped create an arts and culture cluster between the stadium and convention centre, through what was once the city's red-light district. A new school has also been added. The city also upgraded its water and wastewater treatment plants, separated storm and sanitary sewers, built a new waterfront park, and added a large parking garage and Greyhound bus terminal.

Today, the convention space is attracting new employers and generates tourism within the city's newly regenerated downtown. The ballpark has been a great success with local businesses. Employees walk across the 6th Street Bridge on weeknights, through the new park system, to restaurants on the North Shore and into the stadium.

The city has even attracted new condominium development to its downtown, something unheard-of in its history. In addition, the brownfield projects have created new vibrant neighbourhoods within the city limits and have helped to erase the city's industrial scars. In July 2009, Pittsburgh was selected to be the site of the G20 meeting in September 2009.

What can Hamilton learn from Pittsburgh?

Here are the important lessons.

- » Pittsburgh developed a new vision to redefine its role in the region and the eastern United States. Infrastructure investments were focused only on projects that would advance this new role.
- » Brownfield regeneration was used to develop new communities that attract knowledge workers.
- » The benefits of every infrastructure investment were carefully evaluated and compared to determine how each investment might affect another.
- » The model used by the URA can be applied in any jurisdiction that has market-value based property tax systems.
- » The city was prepared to take on risk, work cooperatively with developers and landowners, and take bold steps to ensure that projects moved ahead.
- » The use of a development corporation equipped with executive powers was beneficial.

REDEFINING AND REINVENTING A CITY: THE CASE OF PORTLAND, OR

Portland's economy was built on the state's substantial timber industry, an industry that declined in the 1980s and 1990s as a result of increasingly stringent state environmental laws as well as foreign competition. Today, Portland is a growing city of about 600,000 people, with about 2 million in its urban region. It is a city that, perhaps like no other, has managed to adapt its economy not only to avoid collapse, but also to thrive by focusing on the provision of public amenities that offer a high quality of life. Redefining its role on the U.S. west coast in a way that would allow it to compete for creative and educated talent against Seattle and San Francisco (and even Vancouver, B.C.) has been no small undertaking.

Prosperity vs. Wealth: Two approaches to developing successful cities

The Mayor of Portland, Sam Adams, has identified what attracts so many people to the city despite its substantially lower median income relative to San Francisco and Seattle. "In a mobile talent world, Portland specializes in 'quality of life.' If you want to be rich, go to Seattle or San Francisco. If you want to be prosperous, you come here."

This distinction between financial wealth and prosperity is important – prosperity, unlike wealth, is driven by quality of life, which is based in part on the availability of public and community infrastructure, as well as the amenities and services available in a community. In Portland the emphasis is on public transit and cycling (rather than the automobile), on design-led communities (rather than engineering-dictated design), on arts and culture (Portland is becoming the west-coast hub for graphic design), and on environmentally sustainable development. These things have made it one of the most attractive destinations for 25-35 year olds over the last decade.

Portland has redefined itself through investments in green infrastructure, demonstrating to energy firms such as Vestas, WindTech or SolarWind that Portland is the place to open shop. Established firms such as Intel maintain operations in Portland in part because of the available work force and their commitment to the principles of corporate social and environmental responsibility.

The Mobility City: Transit & Cycling

Cities such as Portland and Pittsburgh can overcome severe challenges through a combination of strategic bold moves tied to a set of quick wins that create momentum. Perhaps two of the boldest moves affecting Portland came as early as 1973. First, the state adopted a law creating a growth boundary to protect its forests and agricultural land from suburbanization. Second, the municipality successfully lobbied the federal government to prevent the construction of a riverfront interstate highway.

The move to stop the Mt. Hood highway created the opportunity to take advantage of a federal program to use allotted highway funds for existing road upgrades or transit. Ultimately, the decision to reject the highway led to the redevelopment of the city's waterfront and the construction of the first light rail line in the U.S. in modern times (which opened in 1986).

Today Portland's transit system includes three Metropolitan Area Express (MAX) LRT lines, a growing number of local streetcar lines and, and a brand new aerialTram. The MAX operates as a long-haul transit system in the suburbs through dedicated rights of way, but transforms into a different entity in the downtown, where the MAX stops every block or so in Fareless Square, a district where riders can board transit for free. Downtown, the MAX operates in both dedicated rights of way and in dedicated lanes at grade alongside cars.

While the MAX is operated by the regional government, the City began investing in its own streetcar system by creating a non-profit corporation which, in addition to the fare box, seeks donations and sponsorships to operate. Across the city the idea of moving people by transit is growing and slowly the city's grid of one-way streets is being converted into transit rights of way, as cars take a back seat to more efficient modes of travel.

Cycling has also been increasing. The city has developed its cycling network and worked to create a bike-friendly culture where taking bicycles on public transit or into office buildings is acceptable. A series of "quick wins" helped Portland grow its cycling network, including clearly identifiable bicycle lanes and markings at intersections that allow cyclists to make turns safely in advance of automobiles. Today, people are complaining about congestion on the city's cycling network – a rather unusual congestion problem.

The LEED City

On a walk through the city's Pearl District, a former brownfield site transformed into one of the most popular communities in Portland, one notices numerous LEED-certified buildings. The Pearl is one of the most successful districts in Portland, and with its blend of

new, green buildings and historic architecture, it has become a hotspot destination for retail, the arts, graphic and industrial design firms and new migrants. The Pearl is the home of the world's only LEED Platinum condominium building, a project made possible when the city's development corporation took on the responsibility of building the parking component. This enabled the developer to invest in more green technology – a major win for both the city's image and tax base.

The Portland Development Commission (PDC), which is also the city's TIF agency, has been largely responsible for coupling land use initiatives and brownfield redevelopment with transit initiatives. Built form, zoning, and transit all work together effectively in this way. The growth boundary has required intensification over the past 30 years, which has made it possible for the commission to get involved in large-scale projects like the Pearl.

The Portland Development Commission (PDC) has been successful in part because of its city-wide mandate. Because of this scope, the PDC is capable of leveraging revenues from successful projects to offset the potentially high costs of more complex projects elsewhere in the city (e.g., brownfield remediation, etc.). This approach has led to the successful redevelopment of places such as the Pearl District and enabled the PDC to undertake a wide range of concurrent projects (47 in total at present). While many of the largest projects are downtown or along the riverfront where land value uplift can be maximized, this approach has also enabled the PDC to engage in work in areas that might not otherwise see redevelopment.

What can Hamilton learn from Portland?

Portland's clearly defined goal to be among the greenest cities in the United States, coupled with its strategic investments in infrastructure and community assets, have driven the reinvention of the city. At a time when all cities are talking "green," Portland is leading the pack, because it has demonstrated to the private sector and the public that it is prepared to make substantial investments to achieve its goals. Transit, TIF funds and tax credits to help offset costs of LEED buildings, a comprehensive cycling network, and other innovative transportation solutions like the aerialTram serve as marketing tools. These programs and projects are seen as investments capable of generating substantial returns rather than as expenses.

Making use of a range of financial tools and working with developers to leverage tax credits, the city's development corporation plays a crucial role in ensuring that zoning, development, and transit are all coordinated – an approach that could serve Hamilton well.

While the current recession has slowed employment growth and unemployment has risen as people continue to move to Portland, the city faces new short-term challenges; however, it is well positioned to recover fully after the recession. The city continues to be forward-thinking as it looks to develop a high-speed rail link to Vancouver, B.C, a proposition that will make it an even more desirable city for residents and employers alike.

APPENDIX C: DESCRIPTION OF WORKSHOP

**URBAN
SOLUTIONS**
CANADIAN URBAN INSTITUTE



Canadian URBAN Institute
20 years as Canada's applied
urban policy institute.
ans à titre d'Institut de la
politique urbaine appliquée.

Brent Gilmour, Director
Urban Solutions

Daniel Nixey, Senior Associate,
President of Danix Management Ltd.

Iain Myrland, Senior Planner
Ideas & Innovation, Education and Research Division

Christine Car, Planner
Urban Solutions

Hamilton Infrastructure and Community Asset Strategy

Senior Management Team Workshop Session

March 31, 2009



Summary of Workshop

On March 31, 2009, the Canadian Urban Institute (CUI) hosted a workshop titled *Hamilton Infrastructure and Community Asset Strategy Study* at the Convention Centre. The session was attended by the City of Hamilton's Senior Management Team. The purpose of the session was to present key findings from the interviews to date with stakeholders as well as different case studies, introduce the concept and application of value planning, and explore with the attendees the immediate actions required to make Hamilton's vision a reality.

The workshop focused on three questions:

- » Should some of the key themes identified from the interviews drive infrastructure choices more than others and why?
- » Which items should be removed from the list of possible future infrastructure investment projects identified from the interviews and why?
- » How should the city meet existing infrastructure needs and invest in future projects?

Key findings from the workshop included a refined list of projects and sectors, activities and areas to focus on:

Sectors to focus on:

- » Advanced manufacturing
- » Goods movement
- » Culture and film
- » Health and biosciences
- » Agriculture

Activities to promote:

- » Vibrant downtown
- » Waterfront destination
- » Active port
- » Active airport

Leaders in:

- » Brownfield remediation/ heritage restoration
- » Green technology
- » Innovation/creative economy
- » Tourism and Transportation

Glen Murray, President
Canadian Urban Institute

Daniel Nixey, Senior Associate,
President of Danix Management Ltd.

Brent Gilmour, Director
Urban Solutions

Iain Myrans, Senior Planner
Ideas & Innovation, Education and Research Division

Hamilton Infrastructure and Community Asset Strategy

Building Hamilton Symposium

May 14, 2009



Summary of Symposium

The *Building Hamilton* Symposium held on May 14, 2009, at the Hamilton Convention Centre was a follow-up session to March 31, 2009. The symposium also provided an opportunity for city staff, councillors, representatives of the province, and major community stakeholders (approximately 45 participants) to learn about the leading ideas being brought forward to expand Hamilton's emerging role as an economic hub in southern Ontario.

Key findings:

In the daylong workshop with Hamilton stakeholders, participants were asked to rank the 25 projects by their importance, likely time frame, potential supporters, and "traction" (whether they represent foundational projects that contribute to other revitalization efforts). The 25 foundational projects were also reviewed for their contributions to meeting the long-term city-building needs of Hamilton and enhancing the economic competitiveness of the Greater Golden Horseshoe area. Through roundtable discussions among participants the following top 5 projects were identified based on their level of importance (we focused on those projects that were ranked as "high" importance). They included :

- » LRT
- » Downtown revitalization
- » Waterfront revitalization
- » Innovation Park
- » Brownfield remediation

This process led to the identification of five districts (including the majority of the 25 foundational projects) for further analysis:

- » Historic core
- » Lister to Liuna
- » West Harbour Waterfront
- » West Harbour Railyards
- » McMaster Innovation District

APPENDIX D: LIST OF INTERVIEWEES AND STAKEHOLDERS

David Adames

Tourism Hamilton
Executive Director
City of Hamilton

Sam Adames

Mayor City of Portland

Teresa Bendo

Planning & Continuous Improvement
Director
City of Hamilton

Judith Bishop

Hamilton-Wentworth District School Board
Former Chair

Anna Bradford

Director of Culture
City of Hamilton

Bob Bratina

Councillor
City of Hamilton

Brent Browett

EMS
Director
City of Hamilton

Jack Brown

Communication Services
City of Hamilton

Bill Bulick

Bill Bulick & Associates, Portland

Suzanne Carpenter

Corus Radio Hamilton
General Manager

Mark Chamberlain

Trivaris
President

Brad Clark

Councillor
City of Hamilton

Chad Collins

Councillor
City of Hamilton

Terry Cooke

Hamilton-Wentworth Region
Former Chair

Dr. Justin D. Cooper

Redeemer University College
President

George Crandall

Crandall Arambula
Portland

Susan Coverdale

Business Development Consultant
City of Hamilton

David Cunliffe

Director of Fire Services
City of Hamilton

Partrick Daly

Hamilton Wentworth Catholic District
School Board
Chair

Craig Davis

Visit Pittsburgh
Vice President Sales & Marketing

Paul DeCourcy

Hamilton Arts Council Executive Director

Doug DeRabbie

Office of the President and CEO
Director

Mary Devorski

Intergovernmental Affairs
Senior Advisor
City of Hamilton

Tim Dobbie

Jobs Prosperity Collaborative
Executive Director

John Dolbec

Chamber of Commerce
CEO

Louise Dompierre

Art Gallery of Hamilton
President & CEO

Denise Doyle

YWCA
Board Chair

Kathy Drewitt

Downtown Hamilton Business
Improvement Area
Executive Director

Scott Duvall

Councillor
City of Hamilton

Fred Eisenberger

City of Hamilton
Mayor

Sandra Edrupt

ArcelorMittal
Manager, Communications

Neil Everson

City of Hamilton
Director, Economic Development
& Real Estate

Keith Extance

City of Hamilton
Acting Director, Housing Division

Lloyd Ferguson

Councillor
City of Hamilton

Bill Flanagan

Allegheny Conference on Community
Development, Pittsburgh

Jeremy Freiburger

Imperial Cotton Centre for the Arts
Executive Director

Colin Gage

Victoria Park Community
Executive Director

Penny Gardiner

Hamilton Incubator of Technology
Facilities Director

Duncan Gillespie

HECFI
CEO

Tricia Hellingman

Hellingman Communications
President

Darlene Homonko

Golden Horseshoe Bio Sciences
Executive Director

Mike Houck

Urban Greenspaces Institute, Portland
Executive Director

Jim Harnum

Water and Wastewater Division
Senior Director
City of Hamilton

Tom Jackson

Councillor
City of Hamilton

Bill Janssen

Strategic Services/Special Projects
Acting Director,
City of Hamilton

Chief Jim Kay

Emergency Services Department
General Manager
City of Hamilton

Brian Kelly

McMaster University
Senior Advisor

Richard Koroscil

John C Munro Hamilton International
Airport President and CEO

Diane Lapointe-Kay

Recreation Division
Director
City of Hamilton

Robert Liberty

Regional Councillor
City of Portland

Greg MacDonald

Planning Division and Economic
Development Department
Senior Planner
City of Hamilton

Rob MacIsaac

Mohawk College
President & CEO

Ron Marini

Director Downtown Renewal
City of Hamilton

Murray Martin

Hamilton Health Sciences President
& CEO

Nick Markettos

McMaster University Assistant V.P,
Research Partnerships

Doug Mathews

US Steel
President

Tim McCabe

General Manager, Planning and Economics
City of Hamilton

Margaret McCarthy

Councillor
City of Hamilton

Sandra McDonough

Portland Business Alliance/Chamber of
Commerce
President & CEO

Brian McHattie

Councillor
City of Hamilton

Sam Merulla

Councillor
City of Hamilton

Erin Mifflin

Manager, Housing Development &
Partnerships
City of Hamilton

David Mitchell

Councillor
City of Hamilton

John Mokrycke

CAMUL Building Corporation
President & CEO

Bernie Morelli

Councillor
City of Hamilton

Chief Brian Mullan

City of Hamilton
Police Services
General Manager

Tom Murphy

Former Mayor
City of Pittsburgh

Chris Murray

City Manager
City of Hamilton

John Murray

Manager, Asset Management
Capital Planning
City of Hamilton

Jacqueline Norton

Film & Television Office
Manager
City of Hamilton

Robert Pasuta

Councillor
City of Hamilton

Maria Pearson

Councillor
City of Hamilton

Chris Phillips

General Manager's Office
Senior Advisor
City of Hamilton

Werner Plessl

The Hamilton Waterfront Trust
Executive Director

Joe-Anne Priel

Community Services Department
General Manager
City of Hamilton

Russ Powers

Councillor
City of Hamilton

Vince Ramelli

Hamilton-Wentworth Catholic District
School Board
Manager of Planning and Transportation

Rebecca Repa

St. Joseph's Healthcare Hamilton
Vice President, Planning, Development
and Diagnostic

Elizabeth Richardson

Medical Officer of Health
City of Hamilton

Ron Harten

Hamilton Community Energy General
Manager

Robert Rossini

Budgets & Finance
City of Hamilton

Robert Rubinstein

Urban Redevelopment Authority, Pittsburgh

Daryl Sage

Hamilton-Wentworth District School Board
Manager of Accommodations & Planning

Juergen Schachler

ArcelorMittal
President & CEO

Dale Schenk

Mohawk College
Vice President

Ron Schuler

Spilman Thomas & Battle, Pittsburgh

Tony Sergi

Director, Engineering
City of Hamilton

Paul Shaker

Policy and Planning - Office of the Mayor
City of Hamilton

Jillian Stephen

Strategic and Environmental Planners
Director
City of Hamilton

Dr. Kevin Smith

St. Joseph's Healthcare Hamilton
President & CEO

Tony Tollis

Finance and Corporate Services
Acting General Manager
City of Hamilton

Helen Tomasik

City of Hamilton
Executive Director, Human Resources &
Organizational Development

Roger Trull

McMaster University
VP University Advancement

Bill van Staalduinen

Redeemer University College Vice
President

Madina Wasuge

Hamilton Centre for Civic Inclusion

Connie Wheeler

Office of the City Manager
Corporate Initiatives Coordinator
City of Hamilton

Terry Whitehead

Councillor
City of Hamilton

Bruce Wood

Hamilton Port Authority President & CEO

Mike Zegarac

Budgets & Finance
Acting Director
City of Hamilton

