SUBJECT: Economic Development 2005 Highlights (PED06158) (City Wide)

RECOMMENDATION:

That Report PED06158 respecting Economic Development 2005 Highlights be received for information.

EXECUTIVE SUMMARY:

In 2005, both industrial and commercial building permit totals substantially exceeded the previous year and with the exception of 2003’s record breaking performance, Hamilton witnessed its strongest industrial building permit totals in more than a decade. The combination of new business attraction along with the retention and expansion of existing companies provided clear evidence that the City’s Economic Development Strategy is not only effective but also continuing to achieve its primary objective of diversifying Hamilton’s economy.

Generally, these economic development results in 2005 are even more impressive when considering the amount of change and uncertainty that prevailed over Hamilton’s economic landscape. The entire City and surrounding region held its breath while Stelco fought to emerge from CCAA. In addition to this, Hamilton’s economy had to cope with the hostile takeover of Dofasco, a soaring Canadian dollar, and an unanticipated spike in energy costs related to U.S. hurricanes and geopolitical factors.
As a result, Hamilton was not without its share of bad economic news in 2005. The loss of manufacturing jobs and the related assessment continued to be witnessed in Hamilton as it was throughout Ontario’s manufacturing heartland.

To date, Hamilton’s economy continues to demonstrate strength with approximately 1.3 million square feet of company growth/expansion committed for 2006 and another 700,000 square feet of industrial expansion in the development pipeline. Again of significance, is the fact that these developments are not restricted to one particular economic cluster and they included redevelopment of existing employment lands as well as new Greenfield locations.

BACKGROUND:

Attached is the 2005 Economic Review for the City of Hamilton. This publication provides a summation of local economic development highlights and major growth-related initiatives that occurred over the past year. In addition to being a primary marketing and promotion piece for the division, the Economic Review is circulated to the entire membership of all three local Chambers of Commerce, area ICI realtors, education partners, the Province of Ontario and this year, for the first time, will be included as a Hamilton Spectator supplement.

The following table provides a five-year summary of the City of Hamilton’s economic growth as depicted by building permit totals per category:

<table>
<thead>
<tr>
<th>Building Permits (in dollars)</th>
<th>Overall Value of Construction Trends in City of Hamilton</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
</tr>
<tr>
<td>Residential</td>
<td>287,621,422</td>
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<tr>
<td>Commercial</td>
<td>71,141,096</td>
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<tr>
<td>Industrial</td>
<td>55,240,986</td>
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<tr>
<td>Institutional</td>
<td>97,338,063</td>
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<tr>
<td>Miscellaneous</td>
<td>3,979,497</td>
</tr>
<tr>
<td>Total</td>
<td>515,321,064</td>
</tr>
</tbody>
</table>

Source: City of Hamilton Building & Licensing Division

The construction trends in both the industrial and commercial categories represent a consistent and steady growth pattern for the local economy. Looking ahead for 2006, Hamilton’s overall economic growth should keep pace with the provincial and national averages that are forecasted to be in the 2.5% - 3% range.

Unfortunately, much of Hamilton’s new growth will not show up statistically as the industrial assessment base was significantly reduced by the closures and the demolition of plants in 2005. For example, Camco (900,000 square feet) and the former Stelco Nail Factory (+300,000 square feet) alone represented over 1.2 million square feet. Manufacturing businesses continued to be hit the hardest by the globalization of production and general economic conditions. Last year, historic Rheem Canada (water heaters) and Big 3 supplier Tiercon (Auto parts) both eliminated manufacturing jobs in Hamilton. For this reason, diversification of the local economy and a focus on advanced
manufacturing to retain this skilled labour is critical to the City’s future growth and prosperity.

The Hamilton Census Metropolitan had over 365,000 individuals working in 2005, while at the same time 21,400 individuals were without work in 2005. This is a 15% decrease in the number of unemployed compared to 2004 when there were 25,100 individuals unemployed. This caused the unemployment rate to drop in 2005 to 5.5% from 6.4% in 2004. While 2004 had a stellar year, and recorded the highest levels of employment, 2005 also showed continued strength compared to the years preceding 2004.

Most of the job gains were fulltime, lead by the Construction industry which created nearly 4,000 jobs. Followed by 2,700 new jobs in the Finance, Insurance and Real Estate industry, which is not surprising given that housing and real estate industry are closely linked and both play a key role in generating thousands of jobs annually. Research reports suggest that with every new house, it will likely require additional furniture, appliances, painting, carpeting, window treatments etc. In additional there are the costs of legal and financial fees, moving costs and taxes in addition to real estate agent fees. Health and social assistance also created 3,000 jobs in 2005.

The City of Hamilton’s revised Economic Development Strategy continues to prove effective with growth and development occurring in each of the industry clusters. The following is a summary of cluster highlights and city initiatives in 2005:

**ADVANCED MANUFACTURING:**
- Manufacturing highlights in 2005: Stackpole Engineered Products – 80,000 square feet facility; Taylor Steel – 120,000 square feet expansion; BBS – 35,000 square feet new facility; Capital Pipe – 40,000 square feet renovation/expansion; Andres Wines – 110,000 square feet
- General Electric returns to Hamilton leasing former Siemen’s building in Stoney Creek for a turbine maintenance facility
- Brantford based Store Image relocates headquarters to Ancaster Industrial Park
- Stelco emerges from CCAA and restructures business units
- Dofasco is the target of a takeover by the world’s #2 steelmaker Arcelor of Luxemburg

**AGRICULTURE:**
- Completion of the Agricultural Action Plan - the follow-up to the Economic Impact Study that determined Agriculture was a $1 billion/year local industry
- The Economic Development Division received a $100,000 grant from the Province to address the long term viability of agriculture in Hamilton and particularly as it applies to the impact of the Greenbelt legislation
- Completion of a major visioning exercise with 60 farmers representing all aspect of agriculture (grains, greenhouses, livestock, etc.)
- Preliminary implementation report in May 2006 for Planning and Economic Development Committee with the final report expected for Committee and Council in September
AIRPORT
- Construction of AIC hangar on last remaining parcel with airside access
- Acquisition of 67 acres abutting airport lands for future commercial development with airside access
- Acquisition of 46 acre parcel for future development and to accommodate Category II Instrument Landing System (only third airport in Canada to have this system)
- Developed joint promotional brochure with Hamilton Airport to counter Pickering Airport threat
- Air Canada Jazz commences daily service to Ottawa and Montreal out of Hamilton

BIOSCIENCES:
- Completion of St. Joseph’s Medical Tower and commencement of HHSC redevelopment of Hamilton General site and the Wellington/Ferguson Block
- Biotechnology incubator opened at McMaster’s Michael G. De Groote Centre for Learning and Discovery
- The Economic Development Division was instrumental in securing Provincial funding for the Golden Horseshoe Biosciences Network (GHBN), in the amount of $1 million over four (4) years, as well as a four (4) year funding commitment from GHBN partners
- GHBN board of Directors was formalized (with public and private sector representation from Hamilton, Halton and Niagara). The GHBN office was established and an Executive Director and Administrative Assistant were hired.
- Economic Development staff exhibited jointly with McMaster in the Provincial Pavilion at BIO2005 in Philadelphia (and again at BIO2006 in Chicago)
- Established an Innovation Café program – topic specific roundtables/forums (most recent venture capitalist – 50 attendees)
- GHBN will be hosting the third BioSummit on June 13, 2006 at McMaster
- Canmet – staff met with Canmet’s 17 relocation committees in Ottawa. An employee presentation and a tour of Hamilton are being developed, as well as a work/live brochure specifically targeted for the McMaster Innovation Park.

FILM:
- In 2005, Hamilton doubled the number of productions to 90 from 48 and had 1330 prep, wrap and shoot days
- The annual economic impact of Film activity in 2005 was $15.6 million for Hamilton
- Completed the Digital Film Library and now establishing a separate dedicated office (at 1 James Street South) with internet, etc. for producers, companies, etc. filming in Hamilton

PORT:
- Construction of $30 million BIOX state-of-the-art bio-diesel facility
- City of Hamilton and Hamilton Port Authority joint marketing mission to China
• Economic Development Division participated in first Port Days business conference and trade exposition
• City of Hamilton and Hamilton Port Authority take first place for joint advertisement in Ontario Marketing Awards in Toronto

OTHER:
• 2005 Commercial building permits up from previous year to $79 million
• New commercial developments include: Stoney Creek Furniture showroom expansion to 120,000 square feet; Walmart 160,000 square feet superstore Rymal Road and Ancaster Walmart; Completion of Mud and Paramount retail centre; Losani’s 92,000 square feet commercial development on South Service Road in Stoney Creek

Now entering the second quarter of 2006, economic activity shows no sign of slowing down. Presently, there is over 1.3 million square feet of new and retained industrial growth in the city and another 700,000 square feet currently in the development pipeline. Several positive announcements will be forthcoming over the next two (2) months with further details on this growth. The following are some of the highlights to date:

- Industrial buildings new in 2006 include: Venetor Crane – 53,000 square feet new facility; A & M Manufacturing – 24,000 square feet new facility.; Coreslab – 80,000 square feet new facility ; Audcomp – 40,000 square feet new facility ; NuLine – 42,000 square feet facility;
- ERASE – Six Brownfield projects receiving approximately $2.5 million from the Environmental Remediation and Site Enhancement Program. This will result in total construction of $63 million; remediation of 27 acres of Brownfield lands; construction/refurbishment of 300,000 square feet of industrial/commercial space; construction of 93 residential units; an increase of annual property tax revenues of approximately $1 million.

For the remainder of 2006 and throughout 2007 there are number of factors in play that will profoundly impact Hamilton’s economic growth. First, global or macro issues that include the continued appreciation of the Canadian dollar relative to the US dollar; the corresponding increase in interest rates by the Bank of Canada in attempt to “cool” the Loonie’s rise; rapidly escalating energy costs; and the decline of the North American automobile (Big 3) manufacturers. All of these will have immediate and negative effects on the competitiveness of local industry and business that will most likely result in downsizing and possible plant closures.

The second major issue is the availability of serviced industrial land in Hamilton that is required to meet the on-going demand from companies migrating out of the GTA. Economic Development staff has met with every major GTA Industrial/Commercial realtor since the beginning of the year and the demand is real and growing. As a result, City staff are aggressively working to service the North Glanbrook Industrial Business Park and to plan for the creation of employment lands abutting the new Highway #6 near the John C. Munro Hamilton International Airport. However, any delays in the
construction of these employment lands will be evidenced in a decline in the 2007 and 2008 building permit numbers since the remainder of the City’s industrial land supply has been virtually exhausted.

**ANALYSIS/RATIONALE:**
N/A

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial: N/A
Staffing: N/A
Legal: N/A

**POLICIES AFFECTING PROPOSAL:**
N/A

**RELEVANT CONSULTATIONS:**
N/A

**CITY STRATEGIC COMMITMENT:**

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No

Partnerships are promoted.

Environmental Well-Being is enhanced. ☑ Yes ☐ No

Many results demonstrate intensification and brownfield redevelopment.

Economic Well-Being is enhanced. ☑ Yes ☐ No

Investment in Hamilton is enhanced and supported.

The economic base is diversified.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Not applicable.

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☑ Yes ☐ No

Not applicable.

NE/db
Attach. (1)
A Message From The Mayor

This is an exciting time in Hamilton. We have proven our ability to come together as one community and seize opportunities that make Hamilton a better place to live, work and do business. At City Hall, we have taken a proactive approach to ensuring that our economic community grows at a sustainable pace while protecting the important values and natural attributes of our City.

This year has seen more economic activity than any other time in recent history. We have made strategic moves to secure Hamilton's economic future. First and foremost, Hamilton has made Downtown revitalization a top economic priority. Our push is clearly paying off. This year alone we have seen 14 new development projects approved under the Downtown Residential Loan Program with a total investment of $117 million. Older buildings will soon be transformed into new condos that will breathe more life into the Core. Couple this with the re-development of the historic Lister Block, the construction of a new Hilton Hotel, the opening of Staybridge Suites Hotel and the renovation of the Royal Connaught Hotel and it clearly demonstrates Hamilton is an exciting place to do business.

This past year McMaster University also looked at its economic goals and began to develop the McMaster Innovation Park (MIP) in partnership with the City of Hamilton. When completed, the Innovation Park will house more than one million square feet of laboratory, office, training, and conference facilities and invest millions of dollars in our community.

Our research community will also be teaming up with private entrepreneurs to create knowledge-based institutes, attracting top professionals from around the globe. In 2005, the Federal Government announced that it will be moving its CANMET Materials Technology Laboratory (CANMET-ML) to a new state-of-the-art facility in Hamilton’s McMaster Innovation Park. We have also re-affirmed our commitment to our Airport. TradePort International will be installing a new Category II Instrument Landing System and increasing runway capabilities. This has attracted Air Canada Jazz to Hamilton and has led to enhanced WestJet service.

Each investment reflects a strong commitment to our Airport. TradePort International will be installing a new Category II Instrument Landing System and increasing runway capabilities. This has attracted Air Canada Jazz to Hamilton and has led to enhanced WestJet service.

We are also dedicated to being on the cutting edge of technological, social and cultural advances. I encourage you to explore our thriving commercial marketplace, and you too, will discover why your business should be a part of Hamilton. Hamilton offers tremendous advantages and opportunities for business growth. My hope is that we'll soon be welcoming you as one of our newest neighbours.

Sincerely,

Larry Di Ianni, Mayor

Our research community will also be teaming up with private entrepreneurs to create knowledge-based institutes, attracting top professionals from around the globe. In 2005, the Federal Government announced that it will be moving its CANMET Materials Technology Laboratory (CANMET-ML) to a new state-of-the-art facility in Hamilton’s McMaster Innovation Park.
### GRIDS Concepts Adopted

The City of Hamilton embarked on an aggressive Business Tax Reduction (BTR) Plan in 2001, a move which has resulted in significant property tax reductions for business properties. In 2005, the BTR program was re-named “Business Retention and Expansion (BRE)” to acknowledge the impact that the program has on retaining local businesses. The City’s allocation to the program this year is $5 million.

The City of Hamilton partnered with the City of Hamilton by matching the $4.5 million of the City’s contribution for a total tax reduction of $9.5 million for 2005. The above table shows the BRE cuts to date.

### City Works

On Reducing Business Taxes Through BRE

The City of Hamilton embarked on an aggressive Business Tax Reduction (BTR) Plan in 2001, a move which has resulted in significant property tax reductions for business properties. In 2005, the BTR program was re-named “Business Retention and Expansion (BRE)” to acknowledge the impact that the program has on retaining local businesses. The City’s allocation to the program this year is $5 million.

### Glanbrook Business Park

The City is preparing to bring a sizeable tract of employment land onto the market starting in late 2007 in the North Glanbrook Industrial Business Park (NGIBP).

Located near the soon-to-be opened Red Hill Valley Parkway, the business park will consist of 680 acres when completely built out. NGIBP resides in the urban boundary, is zoned appropriately, and not impacted by the Province’s Greenbelt legislation.

The potential future economic benefits to this Business Park are considerable including an estimated 12 million square feet of development and about 10,000 new jobs. This could result in a $300 million expansion of the commercial tax assessment base, and new tax revenue of some $18 million annually.

In 2005, this potential moved closer to reality as the Provincial Government brought $20 million to the table along with the City’s $10 million contribution to help service this land to prepare it for market.

### Economic Development Review 2005

#### COMMERCIAL DEVELOPMENTS

- Commercial developments in 2005, included: the opening of the new headquarters for Dalton Timmis Insurance (top) on Stone Church Road; a new 22,000-square-foot clubhouse at Beverly Golf and Country Club (above); and the construction of a 154,000-square-foot Wal-Mart store on Hamilton’s East Mountain.

#### General Economic Indicators

**Activity** | 2001 | 2002 | 2003 | 2004 | 2005
---|---|---|---|---|---
**Business** | $110,104,500 | $111,297,750 | $113,177,500 | $114,790,450 | $117,500,000
**Consumer** | 1,487,500 | 1,508,125 | 1,520,750 | 1,532,125 | 1,542,125
**Total Sales in Millions** | $515,664 | $664,664 | $664,664 | $595,595 | $641,641
**Construction and other** | 40 | 40 | 40 | 40 | 40
**Housing Starts** | 1,072 | 1,200,699 | 1,200,699 | 1,200,699 | 1,200,699
**Housing Completion** | 1,713 | 2,255,125 | 1,200,699 | 1,200,699 | 1,200,699
**Social Assistance** | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000
**Unemployment Rate (Hamilton CMA)** | 5.3% | 5.3% | 5.3% | 5.3% | 5.3%
**Bankruptcy** | 1,437 | 1,508 | 1,532 | 1,542 | 1,542
**Consumer Bankruptcy** | 1,437 | 1,508 | 1,532 | 1,542 | 1,542
**Housing Bankruptcy** | 1,072 | 1,200,699 | 1,200,699 | 1,200,699 | 1,200,699

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**Note:** Tax rates are within the boundaries of the former City of Hamilton.

### Demographics & Statistics

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<th></th>
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<td>Ancaster</td>
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<td>22,403</td>
<td>17,249</td>
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<td>Hamilton</td>
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<td>21,066</td>
<td>20,666</td>
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<tr>
<td>Glanbrook</td>
<td>29,618</td>
<td>28,007</td>
<td>28,007</td>
<td>21,066</td>
<td>20,666</td>
<td>20,666</td>
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<tr>
<td>Stoney Creek</td>
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**Note:** Data sources: Canadian Census 2001, 1991, 1996; City of Hamilton; Canada Mortgage and Housing Corporation; Economic Development Services; Human Resources and Development Canada; Ministry of Housing; Statistics Canada; Unit, Human Resource and Development Canada.
**Health Sciences Re-development Projects**

Hamilton Health Sciences is undergoing re-development projects at the Henderson, McMaster University Medical Centre, McMaster Children's Hospital and Hamilton General Hospitals.

- The total cost of the re-development of cardiac facilities at the General is approximately $18 million. A new state-of-the-art regional rehabilitation centre will feature 91 in-patient beds. Work is planned to commence in 2007 and take two years to complete. Total cost is estimated at $35 million.
- The Hamilton Cardiac, Vascular and Stroke Research Institute will be built to the north of the Hamilton General. Construction will take an estimated two years to complete and cost about $55 million.

**McMaster Medical Centre**
- Re-development of the McMaster University Medical Centre will involve consolidation of tertiary pediatric services, separation and expansion of intensive care facilities for adults and children, renovation of the Emergency Room area and construction of a new ambulatory surgical centre. A new Child and Adolescent Mental Health Unit will also be added. Work on these projects are slated to begin in 2006 and will cost about $45 million.

**Henderson General Hospital**
- Construction at the Henderson will expand in-patient and out-patient services to provide acute care support for the Juravinski Cancer Centre. It will require demolition of 200,000 square feet and rebuilding of 400,000 square feet. The project is estimated to cost about $150 million and is expected to begin in 2006 and take four years to complete.

**Juravinski Innovation Tower**
- The new Juravinski Innovation Tower houses a number of key clinical programs, research labs and education facilities. The Hospital received a second major gift, a cheque for $1 million, from the St. Joseph Healthcare Volunteer Association. The money will go towards future re-development at the Hospital.

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**Building Highlights**

*Giffels Design Build Inc.*
- Giffels Design Build Inc. leased a new 11,400-square-foot industrial facility to Andres Wines Ltd. After identifying the need for large modern distribution facilities in Stoney Creek, Giffels developed the property at 210 Constellation Drive on a speculative basis, with construction starting in the summer of 2004. On completing the building shell, Giffels actively marketed the property to local businesses. Considering the proximity to their head office on South Service Road, the facility ideally suited the functional requirements of Andres Wines.

*Capital Commercial Pipe*
- Capital Commercial Pipe Services, a leader in the sewer and drain maintenance and rehabilitation industry, have relocated to their new head office at 389 Kenora Avenue. The 40,000-square-foot existing structure was completely renovated to form a state-of-the-art office space for Capital’s managerial and administration staff.

*Stoney Creek Furniture*
- Stoney Creek Furniture is now the largest furniture showroom in Canada. Renovations and new construction to its facility, took the showroom from 45,000 to approximately 120,000 square feet. It started off in 1969 with about 2,000 square feet. Plans are in place to add a further 15,000 square feet in 2006 to put an entirely new face onto the QEW highway exposure.

*Mohawk College*
- Mohawk College celebrated the opening of a 10 million Industrial and Process Automation Training and Applied Research Centre in 2005. The centre, which received $2.6 million from the Province’s Strategic Skills Investment Program, provides state-of-the-art technology to students in Mohawk’s mechanical, chemical and computing-based skilled trades and apprenticeship programs.

*Losani Homes*
- Losani Homes opened the second building of its commercial development on the South Service Road in Stoney Creek. A number of tenants have moved in including: Ontario College of Health & Technology; Ball, Hanson, Hansell Employee Benefits; and King-Reed & Associates Inc. The 92,000-square-foot development (above) was built on a 15-acre site with prominent highway frontage.

*McMaster Construction*
- McMaster University’s $30 million Athletics and Recreation Centre and Stadium (below) is currently under construction. This new facility will include three gymnasia, an indoor track and new locker rooms. Construction began on McMaster University’s new $20 million, 390-bed student facility and conference centre in July. The new residence will be ready for occupancy in September.

*Hamilton General Hospital*
- The Heart Investigation Unit at Hamilton General Hospital is part of the hospital’s re-development at Hamilton Health Sciences. A component of this project is the expansion of the cardiac surgical suite. Work on the project is currently under way, with scheduled opening in 2006.

*Losani Homes*
- Losani Homes relocated to their new head office at 389 Kenora Avenue. The 40,000-square-foot existing structure was completely renovated to form a state-of-the-art office space for Losani Homes.

*Hamilton Motor Products*
- Hamilton Motor Products (HMP) relocated to a new 23,500-square-foot building (above) on four acres at the corner of Pymal Road and Upper Centennial Parkway in September. The new facility provides easy access from all points in the City and, with the booming residential growth in the area, HMP is well ahead of projected forecasts.

*Hammerhead Pipe*
- Hammerhead Pipe moved into its new 23,000-square-foot building on a speculative basis, with construction starting in the summer of 2004. On completing the building shell, Hammerhead actively marketed the property to local businesses. Considering the proximity to their head office on South Service Road, the facility ideally suited the functional requirements of Hammerhead Pipe.
Biotechnology Cluster

Significant strides were made in 2005 to foster the growth of the biosciences sector, including the establishment of a biosciences network, the creation of an incubator, and the purchase of land by McMaster University for an innovation park.

McMaster Incubation Centre

The McMaster Biotechnology Incubation Centre (MBIC) opened at McMaster University in 2005. MBIC provides incubation space (below) to facilitate the commercialization of new products and services. Two companies have moved into MBIC and interest has been shown from several others, including some from the U.S.

Marketing

• Development of a biosciences profile and website for the Golden Horseshoe Biosciences Network

McMaster Innovation Park

Through partnerships with business, industry and all levels of government, McMaster University will transform a 37-acre brownfield site into a state-of-the-art innovation park. McMaster Innovation Park (MIP) will support research and commercialization in the advanced materials and manufacturing, nanotechnology and biotechnology sectors. Demolition of the former industrial buildings was initiated in 2005 and plans for the development of an incubator on the MIP site are under way.

Incubator Of Technology

Hamilton’s incubator of technology is providing the right environment to help start-up companies grow. The facility is almost completely occupied and home to 19 residents/clients. 2005 saw the graduation of four companies. Of particular note was the grand opening in November of Advanced Informatics Corporation and Medtel Software Ltd., developers of software for the medical community. Both are prime examples of knowledge-based companies fueling the diversification of the local economy, while providing valuable products for the medical and biosciences community at home and abroad. Adjuvant is the developer of the APS Manager suite of software, a clinical database for the management of patient pain following an operation. This product is currently being utilized by hospitals in Ontario (including Hamilton Health Sciences Corporation), Norway and Australia. Medtel Software Ltd. has provided Ontario physicians easy-to-use, reliable, and cost-effective electronic OHIP billing software since 1997.

Brownfield Plan An Enormous Success

In June of 1999, City Council directed that a Community Improvement Plan be prepared to promote the re-development of industrial and commercial properties in the City of Hamilton. The Improvement Plan was called the Environmental Remediation and Site Enhancement (ERASE) Community Improvement Plan (CIP) and was adopted by City Council in April of 2001 and subsequently approved by the Minister of Municipal Affairs and Housing.

Over the years, the ERASE CIP has been successful in providing the financial tools to promote remediation and re-development of brownfield sites in the older industrial area of Hamilton. It is estimated that there are several hundred brownfield properties in Hamilton’s older industrial area. This estimate is based on the number of existing and former heavy industrial uses in the older industrial area, and the extensive placement of containment fill and recent environmental studies of properties in this area. In addition, based on the number of existing and former gasoline and automobile service stations, industrial, manufacturing and commercial uses, and waste disposal sites in Hamilton, it is estimated that there are also upwards of 200 or more brownfield properties spread throughout the rest of Hamilton’s urban area, including Downtown Hamilton.

In 2005, a revised ERASE CIP was adopted and approved to provide a comprehensive framework for the improvement and enhancement of financial assistance programs contained in the ERASE CIP, and expands these programs to cover the entire urban area of the City of Hamilton.

The programs contained in this ERASE CIP are designed to improve economic opportunities and environmental conditions not just in the older industrial area of Hamilton, but throughout the urban area.

Interest in the revised ERASE CIP has been outstanding and the City of Hamilton anticipates at least 10 projects to apply for funding in 2006.

Cluster Profiles

The City’s Economic Development strategy is helping to diversify the economy. Although the traditional focus has been on the steel industry, it is important to develop the rest of the traditional industry clusters – advanced manufacturing, Port-related industries, and food & beverage.

To attract companies in these industries, it is increasingly important to market the benefits of locating in Hamilton including our strategic location, transportation options and access to markets by road, rail, air or via the Port. As part of the development process of each of the profiles, businesses in these industries were surveyed to determine the strengths, weaknesses, opportunities and threats to doing business in Hamilton. Also included in the cluster profiles are comprehensive business directories and information regarding the tools available locally like education and training resources.
Another Strong Year For Our Port

The Port of Hamilton showed positive gains in total tonnage as well as in a number of cargo sectors. Total 2005 throughput was more than 12 million metric tonnes as compared to 2004’s total tonnage; a gain of 3 per cent.

Vessel arrivals were up accordingly, with a total of 715 (576 domestic, U.S. and 139 overseas), up a total of 3 per cent. Total Seaway System tonnage remained stable for 2005, continuing the momentum from the 2004 volume gains. This would suggest an increase in the Port of Hamilton’s share of seaway volumes, which is now over 28 per cent of total seaway traffic.

Export tonnage, although small in ratio to import volumes (about 11 per cent of the Port’s throughput), also saw healthy gains in 2005, showing an increase of 15 per cent.

Efforts to develop export traffic were buoyed by the Port’s stevedoring partners, Federal Marine Terminals (FMT), and Great Lakes Stevedoring (GLS), were successful in attracting partners FMT and GLS which will continue to increase in volume over the next two years, attracting additional project cargo handled at the Pier 12 terminal last year.

Break bulk cargo has become core business in the Port and is expected to continue to increase in volume over the next two years, attracting additional project cargo handled at the Port.

BIOX Corporation Constructing New Plant

BIOX has spent the majority of 2005 constructing their new $30 million bio-diesel plant on Pier 12. The plant will produce 60 million litres of bio-diesel from vegetable and animal fats. Unique to Canada, this state-of-the-art facility is in line with the City's VISION 2020 goals.

New Lease Negotiated With VICWEST

Hamilton Port Authority (HPA) has negotiated a new lease with VICWEST for 78,000 square feet of space on Sherman Avenue North. Extensive renovations are underway to make this facility into a first class manufacturing plant for steel sandwich panels that are used in building construction. VICWEST is a publicly traded company with annual revenues of over $300 million.

Canadian Salt & Lafarge Canada Double Operations

Canadian Salt and Lafarge Canada have each doubled the size of their operations on Pier 26, going from 4 acres to 8 acres each. Lafarge Canada has now become the leading export tenant at the HPA with over 528,000 tonnes of slag exported, mainly to Michigan and Baltimore.

Port Of Hamilton Business Highlights

Randle Reef Project

This new property will enable the development of Pier 15 for marine terminal use, and will add five hectares of Port development space on the primary Engineered Containment Facility (ECF) site. The Randle Reef project is proceeding into an interim design phase, and detailed design is expected to be completed in 2007.

A major milestone was reached for the Randle Reef Sediment Remediation Project with the completion of the Basis of Design Report (preliminary design) in early 2006. Project partners include Environment Canada, the Ontario Ministry of the Environment and Hamilton Port Authority. This preliminary design includes a primary ECF to contain over 600,000 m³ of PAH-contaminated dredge material, and a much smaller secondary ECF for containing lower priority sediment.

Infrastructure Renewal

HPA is working closely with stevedoring partners FMT and GLS which will see the Port renew Piers 12 and 14 in an effort to increase overseas trade and diversify the cargo mix. Numerous improvements are planned to enhance facilities and promote sustainable growth for the Port and its users.

Intermodal Connectivity

The potential for the Port to transform itself into a key intermodal distribution centre has been identified – and steps were taken in 2005 to move closer to the realization of these plans. Partners are working with Port stakeholders to further the concept of cross-lake freight ferry services. Also, container feeder services enhancing links from Hamilton to the St. Lawrence River will mean new opportunities for warehousing, trucking and rail operations.

Fisherman’s Pier Development

The Fisherman’s Pier project is nearing completion of Phase 2 Environmental Assessment. HPA recently decided to abandon the lakeside marina component from the Fisherman’s Pier site, due to significant capital costs and environmental concerns. Work is continuing on this project with Urban Strategies Inc. as the planning consultant. HPA is currently assessing the acquisition of the Burlington Canal and the Lift Bridge from the federal government, as well as the lands adjacent to these structures. This is important to consolidate for the successful implementation of the Fisherman’s Pier project.

2nd Annual Port Days

Port Days drew large crowds to the west harbour, showcasing the Port’s commercial, recreational and environmental importance. Approximately 9,000 visitors enjoyed activities and attractions all designed to celebrate the harbour. Business delegates were treated to presentations and updates on Port activity, providing numerous opportunities for networking.
Highlights For 2005

Advanced Manufacturing

Nu-line Products
• NU-LINE PRODUCTS INC. began construction of its new manufacturing facility in east Hamilton (above). The new facility will occupy 40,000 square feet on 8 acres and is designed to allow for future expansion. NU-LINE was persistent in developing this project in Hamilton to retain its excellent workforce. This new plant construction is a sign of confidence in the local business landscape. NU-LINE has recently relocated to a new state-of-the-art 35,000-square-foot facility located in Stoney Creek. NU-LINE continues to serve the heavy truck market.

Taylor Steel
• Taylor Steel (below) continued to provide its customers with cost-effective solutions to their processing and logistical needs with the completion of another major project in 2005. Phase II of the Plant 7/Auto Exposed Storage Facility is now complete. The additional 120,000 square feet allows for an increase of 80,000 tons of high density storage. By way of remote sensors installed in the building to send data to a central server, the 303,000-square-foot facility self-regulates the atmosphere controlling temperature, humidity and dew point levels. The building, which will house more than 100 scientists and support workers, should be completed in three years. The project’s partners are expected to have invested a total of $60 million by the time the facility is operational.

BSB Manufacturing
• BSB Manufacturing Ltd. has a 30-year heritage in Hamilton as a progressive and innovative CNC production machining facility. BSB was recognized in 2005 by the Hamilton Chamber of Commerce as an outstanding contributor to the local business landscape. BSB Manufacturing has recently relocated to a new state-of-the-art 35,000-square-foot facility located in Stoney Creek. BSB plans to continue its aggressive growth as a full service manufacturing facility targeting North American markets such as the automotive sector, agriculture, mining and the valve industry.

Teaching, training, and conference facilities, in support of research and development in a number of key industrial areas: advanced manufacturing and materials, nanotechnology, biotechnology, and other areas in which McMaster University has recognized research strengths. The Province has provided $10 million to the McMaster Innovation Park and the City of Hamilton has committed $5 million toward the project and the creation of incubation facilities. These facilities will accelerate the commercialization of research into new and marketable products and services, and create new companies that will provide high-paying, highly skilled jobs in Hamilton.

McMaster Innovation Park
• McMaster University has plans to transform vacant brownfields and warehouses into a premiere research park, building on the University’s existing reputation as a research centre of excellence. The McMaster Innovation Park (MIP) will house laboratory, office, and conference facilities, in support of research and development in a number of key industrial areas: advanced manufacturing and materials, nanotechnology, biotechnology, and other areas in which McMaster University has recognized research strengths.

Table: OVERALL VALUE OF CONSTRUCTION TRENDS IN THE CITY OF HAMILTON

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
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<tr>
<td>Residential</td>
<td>287,621,422</td>
<td>352,759,590</td>
<td>262,214,137</td>
<td>380,297,684</td>
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<tr>
<td>Commercial</td>
<td>71,141,096</td>
<td>107,703,082</td>
<td>58,914,038</td>
<td>73,355,634</td>
<td>79,082,418</td>
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<tr>
<td>Industrial</td>
<td>55,240,986</td>
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<td>87,276,714</td>
<td>60,982,261</td>
<td>72,466,405</td>
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<tr>
<td>Institutional</td>
<td>97,338,063</td>
<td>107,703,082</td>
<td>58,914,038</td>
<td>73,355,634</td>
<td>79,082,418</td>
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<tr>
<td>Infrastructure</td>
<td>0</td>
<td>2,961,609</td>
<td>2,974,797</td>
<td>4,764,490</td>
<td>7,541,108</td>
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<tr>
<td>Total</td>
<td>515,321,064</td>
<td>664,334,643</td>
<td>664,194,769</td>
<td>595,166,715</td>
<td>640,879,601</td>
</tr>
</tbody>
</table>

Source: City of Hamilton Building & Licensing Division

McMaster Innovation Park: The Federal Government’s CANMET Materials Technology Laboratory (CANMET-MTL) will relocate to the McMaster Innovation Park, bringing with it new opportunities for industry and for Hamilton. It will be the first major Federal lab to be located in Southern Ontario. The CANMET-Materials Technology Laboratory – a research centre dedicated to metals and materials fabrication, processing and evaluation – will become a key component of the University’s new innovation park.

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GM of Canada Centres
• McMaster University and General Motors of Canada have partnered to establish two new automotive engineering centres – the GM of Canada Centre for Engineering Design and the GM of Canada Centre for Corrosion Engineering Research.

The establishment of the two centres is part of General Motors of Canada’s broader $2.5 billion reinvestment in the company’s Canadian operations. GM’s commitment to McMaster is valued at more than $60 million and includes computer-based design tools to help train a new generation of Canadian engineering students. The GM of Canada Centre for Engineering Design will be located in the new McMaster School of Engineering Practice and is scheduled to open in 2007. The GM of Canada Centre for Corrosion Engineering Research will be located at the new McMaster Innovation Park and is scheduled to open in 2006.

The building, which will house more than 100 scientists and support workers, should be completed in three years. The project’s partners are expected to have invested a total of $60 million by the time the facility is operational.

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Other New Projects
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New Instrument Landing System

• NAV CANADA will install a $1.5 million Instrument Landing System (ILS) at HIA in the Spring of 2006. An ILS guides pilots to published limits at which point the runway must be visible before landing. This new ILS system will have a significant impact on flight operations for the Hamilton area. An analysis conducted by NAV CANADA showed that the ILS will increase access and reliability of scheduled service, saving airlines an estimated $750,000 per year.

The new Instrument Landing System is expected to be operational by Fall.

Kelowna Flightcraft

• Kelowna Flightcraft, Canada’s third largest airline with charter operations delivering both freight and passengers, celebrated its 10th year at Hamilton International in 2005. Hamilton International is Kelowna Flightcraft’s main flight operations and maintenance base for Purolator Courier in Eastern Canada. Kelowna Flightcraft employs approximately 200 employees at their Hamilton base.

HIA’s ‘flying hi’

• Hamilton International launched its new ‘flying hi’ publication in June. The publication features information on Hamilton International, including Airport partner profiles and company features, travel tips and more. Over 60,000 readers will receive ‘flying hi’ via Canada Post every month.

Further Development of the Red Hill Valley Parkway

Among the highlights in 2005, work is on schedule for the Red Hill Valley Parkway, bringing the project ever closer to its Fall 2007 completion date. Among the highlights in 2005, work on the expressway project included:

• The re-alignment of the Red Hill Creek, which is North America’s longest, continuous urban creek. Natural channel restoration, from the Rosedale Arena (south of King Street) to Barton Street;

The premise of creating a master planned airport community in Hamilton was first introduced in the City’s cluster-based Economic Development Strategy in 2001. This airport community encompasses an airport, transportation links, industrial and commercial companies and those which require access to time-sensitive distribution channels. This cluster continues to evolve with the focus now on creating employment lands adjacent to the Airport. The master planned airport community fits nicely with the City’s growth strategy, GRID5, and lays the groundwork to acquire land for employment. As a result of appeals to the Official Plan Amendments, there will be ongoing negotiations to mediate the differences and avoid expensive arbitration before the next pre-hearing in June.

WestJet Lowers Fares

• WestJet also introduced lower fares to and from HIA in 2005, coming at $20 lower than fares out of Toronto’s Pearson International Airport. The move was intended to stimulate traffic for Westjet out of HIA.

• WestJet also introduced new leisure destinations out of Hamilton in 2005, including Las Vegas via Winnipeg in October and Honolulu and Maui, Hawaii through Vancouver in December. Early in 2006, WestJet began direct non-stop service from HIA to Orlando, Florida. Other schedule enhancements include daily non-stop service between Hamilton and Vancouver beginning in May.

Airport Highlights

Air Canada Takes Flight

• Air Canada Jazz introduced daily flights to Ottawa and Montreal in 2005, and, as a result, increased Hamilton International Airport’s (HIA) destination points by more than 50 per cent. Air Canada offers three daily non-stop flights between Hamilton and Ottawa and four non-stop flights to Montreal, meeting the needs of business travelers and those requiring same-day return. In addition, those flying into Montreal can take advantage of connections to Eastern Canada and Europe.

Developing Airport Employment Lands

The City has proposed Official Plan Amendments to create a West Hamilton employment node over the next 30 years. These amendments are intended to provide for the development of employment lands surrounding the Hamilton International Airport (HIA) and along New Highway 6 critical to meet the needs of the City’s growing population. Also, the amendments are intended to protect the Hamilton Airport’s 24-hour/7-days-a-week operation by restricting incompatible and noise sensitive land uses from encroachment onto Airport operations.

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Expressway Set For Fall 2007 Completion

Work is on schedule for the Red Hill Valley Parkway, bringing the project ever closer to its Fall 2007 completion date. Among the highlights in 2005, work on the expressway project included:

• The completion of the 220-metre long viaduct;

• The completion of placement of all granular and grading from Mud Street to just south of Greenhill Avenue;

• The completion of all of the structures from Greenhill Avenue to Barton Street;

• The completion of excavation of the Renvve Street Landfill;

• The commencement of the bridge work that will link the Red Hill Valley Parkway to the Ministry of Transportation roadworks.

As the Parkway construction continues, the City of Hamilton is focused on the long-term ecological strategy of the valley. This includes an aggressive seeding and planting schedule, and includes a potential partnership with the Six Nations community for the contract growing of native trees and shrubs in the valley and surrounding watersheds.
Situated in the western half of Ontario’s Golden Horseshoe region, the City of Hamilton is centrally located in Canada’s and Ontario’s manufacturing heartland. As part of Canada’s largest province, companies in Hamilton’s food and beverage sector are part of North America’s second largest and fastest growing food cluster. With access to a marketplace of over 130 million people within a day’s drive, businesses benefit from direct connections to major highways and rail networks both in Ontario and the United States. The Port of Hamilton also links Canada’s heartland to the St. Lawrence Seaway. As part of Canada’s largest province, the City of Hamilton is centrally located in Canada’s and Ontario’s Golden Horseshoe region, representing 5 per cent of Ontario’s food industry workforce. Local employment is concentrated in sugar and confectionery product manufacturing, meat product manufacturing, bakeries and tortilla manufacturing, beverage manufacturing, fruit and vegetable preserving and specialty food manufacturing.

Companies involved in these sub-sectors are involved in all aspects of food manufacturing from the processing of raw materials to packaging and distribution. Hamilton’s growth in this sector is being driven by multinational, homegrown operations and successful small business operations. In 2005, a recent local business survey showed a significant majority of food and beverage manufacturing operations expressed a high level of satisfaction with the locational advantages offered by the City of Hamilton including workforce population size and available infrastructure resources. The City has worked throughout 2005 developing a comprehensive “Food and Beverage” Industry Profile combined with a comprehensive Business Survey and SWOT Analysis. This information provides key findings and insights into this important sector within the City of Hamilton.

Growth Continues In Agriculture Sector

The Agricultural Economic Impact and Development Study provided an insightful context and important resources in the development of policies and programs to support agriculture locally. As a whole, the agricultural sector in Hamilton is healthy, based on a highly productive non-renewable land base along with other factors such as climate, soil and location, which are all unique in Canada. This sector’s strength is further enhanced by the diversity and depth of the local industry with over 50 per cent of the land base being farmed or directly related to agriculture. In 2004, the City of Hamilton began the process of developing an Agricultural Action Plan with a mandate to ensure the economic viability of agriculture in this community for the long-term. Funding was received from the Province of Ontario to support this project and City of Hamilton staff have begun working with the consulting firm “Plancape”, the Agricultural Rural Affairs Advisory Committee, all levels of government and the local agriculture community to articulate a vision and plan. This project is scheduled to be completed by September 2006.

Hamilton’s Farm Cash Receipts for 2004 increased slightly from $209.4 million to $216.0 million, representing a positive trend versus 2003, when a moderate decline was experienced. Main commodity breakdowns, shown in the chart at right, continue to show growth in the floriculture/ornamentals and poultry areas with slight declines in mushrooms and dairy commodities. Other areas remained fairly constant and have been grouped under the category of “All Other Commodities.” Overall, the Province of Ontario recorded Farm Cash Receipts of $8.63 billion, a marginal decrease from the previous year.

Beverly Greenhouses Expands

Beverly Greenhouses Ltd. will be growing more seedless cucumbers year-round, thanks to an expansion that more than doubled its operation in 2005. In the last year, Beverly Greenhouses has expanded its operation, which includes two farms located across the road from each other on the 4th Concession in Flamborough and now cover a total of 11 acres. The new expansion includes an additional four acres of greenhouse and an additional four acres of warehouse and packing space.

Owned and operated by the Vanderhout family, Beverly Greenhouses is looking to further expand its greenhouse operations by adding another four acres of greenhouse space to its growing operation. Beverly Greenhouses was started 50 years ago by Jan Vanderhout and remains a family business, today operated by grandchildren Jan and Dale Vanderhout and their families. Jan Vanderhout is the Vice Chair of the Ontario Greenhouse Vegetable Growers.
Downtown Renewal Continues Progress

The Downtown Renewal Division, created in 2001, continues to make an impact in Downtown construction activity. 2005 was a solid year as incentive programs worked towards Council’s goal of bringing people back to the Core to live. This five-year mark in the Division’s history affords the opportunity to see just how much progress has been made – including $50 million in residential construction and $96 million in non-residential activity.

In 2005, a total of 89 building permits were issued representing a construction value of $15.9 million in residential construction and $96 million in non-residential activity. 

The split in construction values is 68 per cent residential and 32 per cent non-residential. 

Another significant residential construction project in the Core is 42 Mary Street where Urban Native Homes is spending over $1.5 million converting the vacant commercial building into 21 seniors apartments.

The Hois Prince Street project at 47 Caroline Street North will convert 3,000 square feet of office space into apartments, construction of new apartments and assistance in the renovation of existing residential units. The residential loan program is also intended to provide assistance towards the costs of creating new residential units on vacant land. Eligible existing buildings need to be located in the Downtown Hamilton Community Improvement Project Area. Only class C/D commercial buildings with a pre-existing annual vacancy of not less than 20 per cent are eligible. Vacant lands include properties developed as parking lots.

In 2005, 250 Main Street East where the City of Hamilton has leased space to house Ontario Works. The project involved both internal renovations and facade improvements valued at $1.1 million. 2005 saw a number of Downtown successes including the start of new business ventures, expanded business-es, a number of re-development projects started while others were completed. The new Staybridge Suites opened for business on Market Street. The historic Hamilton Club underwent renovations. The stunning Art Gallery opened for business on Market Street.

The residential loan program is also seen as instrumental in the success of the Downtown Hamilton Secondary Plan.

Downtown Residential Loan Program

The loan is interest free for a maximum of five years of the principal is repayable in annual amounts of 10 per cent, in 12 equal monthly payments, of the original loan amount. Payments will commence one year following completion of construction. The balance outstanding will be paid by a balloon payment at the end of the five-year term. The available loan is calculated on the basis of a maximum of $20 per square foot of habitable floor space.

A request for proposals was issued in 2005 for developers wishing to take advantage of the program. Fourteen proposals were submitted for the construction of over 700 units at a maximum unit funding of $217 million.

The loan is interest free for a maximum term of five years and attributable to the differential between the pre-renovation assessment and the post-renovation assessment.

The Downtown Renewal Division has received 20 applications, of which 18 of the projects have or will be constructed, including the Lofts at 11 Rebecca Street (left). The total construction value of the 18 Enterprise Zone projects is approximately $106 million. Overall, the Downtown Renewal Division has proven to be an effective incentive to encourage Downtown developments.

Municipal Realty Incentive Grant Program

The program authorizes for each approved grant application, a nine-year grant, the amount of which is subject to Council approval, in an amount not exceeding the increase in municipal realty taxes as a direct result of the development/renovation of the land and/or building. The grant which may be approved by Council shall be an amount which does not exceed 100 per cent of the municipal realty tax increase during the first five years, 80 per cent in year six, 60 per cent in year seven, 40 per cent in year eight, and 20 per cent in year nine. Special charges including BIA levies are excluded from the calculation, for purposes of determining the eligible amount of the increase in municipal realty taxes. The grant would reduce the effect of an increase in municipal realty taxes.

The Downtown Residential Loan Program

Downtown Renewal’s Hamilton Downtown Residential Loan Program provides a financial incentive to assist developers with the costs of converting commercial space into apartments, construction of new apartments and assistance in the renovation of existing residential units. The residential loan program is also intended to provide assistance towards the costs of creating new residential units on vacant land. Eligible existing buildings need to be located in the Downtown Hamilton Community Improvement Project Area. Only class C/D commercial buildings with a pre-existing annual vacancy of not less than 20 per cent are eligible. Vacant lands include properties developed as parking lots.

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Hamilton ‘Reels’ In The Stars

Filming was seen in every corner of Hamilton – in our expansive urban parks, on the escarpment, at the waterfront, and in gritty, industrial locales in 2005. The statistics show that Hamilton continues to soar in the film sector, going from 48 productions in 2004 to 93 in 2005. This doubling of activity pumped $15.6 million into the local economy – up from $10.5 million in 2004 – with production value consisting of $1.335 million spent: a pay day for 1,335 prep, shoot and wrap days versus 760 days in 2004.

Hamilton’s City Hall is a shoot favourite with the building standing in for everything from the U.S. Embassy in Yemen in a big budget television mini-series to New York’s famed Juilliard School in a small feature film, Stepping Up. It also doubled as a national laboratory in the thriller series ReGenesis, which investigates questionable advances in biotechnology.

For those celebrity watching, 2005 was quite a year: Robin Williams, Laura Linney and Christopher Walken were among other stars paying a visit. Bros. Tim Allen and Courtney Cox were among others, paying a visit last year as they filmed Zoom.

The Community Centre for Media Arts (CCMA) continues to operate in Downtown Hamilton. The CCMA Cluster. Efforts include work being done with The Hamilton Media Arts Group (The Factory), which will be opening up a new permanent home on James Street North in 2006.

Tourism Hamilton Makes Great Strides

Tourism Hamilton worked with the local tourism industry to make great strides in 2005 towards becoming one of Ontario’s premier tourist destinations.

Tourism industry members needed only to look upwards to see Hamilton’s success. Starting in September, Air Canada Jazz began flying into Hamilton International Airport offering four daily non-stop flights to Montreal and three daily non-stop flights to Toronto. Joining WestJet, the other regularly scheduled carrier operating out of the Airport, Air Canada will bring approximately 150,000 people to and from Hamilton International yearly. In August, Tourism Hamilton and Hamilton International opened a new Tourist Information Centre at the gate to serve arriving visitors.

The return of a cultural icon signified Downtown Hamilton’s re-emergence with the gold-wrapped Art Gallery of Hamilton (left). It re-opened in May after an $18 million dollar renovation, and on December 8, the Art Gallery attracted its 100,000th visitor. Elsewhere in the City, visitors sailed about the bay aboard the new Harbour Queen (below) boat cruise and rested their heads in one of 108 rooms at the new Staybridge Suites hotel (right), behind the John C. Munro federal government building.

Behind the scenes, Tourism Hamilton, in partnership with Human Resource and Skills Development Canada and the Ontario Ministry of Tourism and Recreation, completed the “Premier-ranked Tourism Destination Framework.” The results of this initiative will provide a solid foundation for preparing a local tourism development strategy.

For the travel trade industry, Tourism Hamilton launched the new Hamilton Group Planner Guide for tour operators and group planners. The 48-page full-colour publication was circulated among travel influencers and complemented multiple familiarization tours in the City as well as trade shows and sales missions.

To generate more “free ink,” Hamilton hosted the Travel Media Association of Canada Conference and AGM in 2005 with the Art Gallery of Hamilton, Ontario Tourism Marketing Partnership and Sheraton Hamilton Hotel. Since then, Canada’s elite travel journalists have given the City rave reviews.

City Remains Committed To Growing Arts & Culture

The City of Hamilton continued to capitalize on its rich cultural assets to further economic development in the business and tourism areas in 2005. Economic Development remains committed to supporting the Culture Cluster. Efforts include work being done with The Hamilton Media Arts Group (The Factory), which will be opening up a new permanent home on James Street North in 2006.

Growth in the arts and culture sector has garnered high level media attention for Hamilton. A recent article in The Globe and Mail entitled “Go West, Young Artist,” focused on the growing art scene in Hamilton. Art galleries are springing up on many streets across the City: James Street, Locke Street and King Street East, to name a few. This, coupled with the growth in the Downtown core market which is drawing people back to the Core, is having a strong, positive impact on the cultural fabric of the City. The opening of the Downtown Arts Centre on Rebecca Street will spur further creative activities in the Core.

The Community Centre for Media Arts (CCMA) continues to operate in Downtown Hamilton. The CCMA works with marginalized populations and combines new media services such as website development, graphic design, video, and information technology, with arts education and skills development programming.
SBEC Had Record Number Of Inquiries

With over 31,000 inquiries, 2005 was a record year for the Hamilton Small Business Enterprise Centre (SBEC).

The Centre truly is the one-stop shop for business in Hamilton offering: an extensive resource library; professional consultations; Access to Professionals; training; networking; youth programming; as well as community outreach to both new and existing small and medium-sized businesses. The Hamilton SBEC, located in Jackson Square, houses an extensive business resource library, which attracted 7,000 visitors/inquiries in 2005. Resources are numerous and include publications, websites, database directories, market research statistics, business planning, marketing, government programs and services, and importing/exporting.

Meeting the needs of businesses at various stages of development is always a challenge, however, with the support of Simpson Wigle LLP and PricewaterhouseCoopers, the Centre offers the Access to Professionals Program. The program assisted more than 48 businesses and entrepreneurs from the local community in 2005. Each year the SBEC hosts a Bridges to Better Business event in October as a tribute to small business month. 2005 saw a record 275 participants attend this action packed one-day networking and training forum.

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Youth programs continued to be a key part of the SBEC programming in 2005. Summer Company, a program that awards local high-school, college and university students a maximum grant of $3,000 to start and run their business with the guidance of a community mentorship group saw a record six students accepted in the Hamilton region.

In addition to its successful Summer Company Program, the SBEC held its 4th annual Business Plan Competition for youth in the City of Hamilton. Rebecca McNenney and Annie Taysab were the winners from Hamilton. Both Rebecca and Annie went on to compete at the regional competition, which was held in Hamilton in November.


Economic Outlook

What’s in store for 2006? In three words – fasten your seat belts. In 2005 economic growth was heavily reliant on the U.S. and China. It was this two world powers that compensated for the lack of demand worldwide. However, in the third and fourth quarters of last year, there was a dramatic increase in demand and a corresponding strengthening of both the European and Japanese economies. And, that’s great news for countries like Canada that depend on exports.

In the United States, our largest trading partner, virtually all economists agree that there will be a significant decline in the housing market in 2006 which will serve as the catalyst for a broader slowdown in overall consumer spending. Add to this the continued escalation of housing costs coupled with rising short term interest rates and the combination is lethal for the U.S. consumer – one that is already suffering from record high debt loads.

In 2005, Canada again recorded another solid performance growing at an annualized rate near 3.6 per cent. The new Conservative government should be a positive for business but markets traditionally don’t react well to uncertainty. Nevertheless, for the next 12 months, core inflation is expected to remain stable near the 2 per cent mark largely because of the relatively warm winter in North America thereby reducing demand for heating oil and natural gas. In terms of overall growth, most GDP forecasts predict less than 3 per cent for Canada with a slowing in employment growth to near 1 per cent.

For the City, the volatility in the auto sector is the cause of anxiety not only for local auto parts manufacturers but Canada’s two largest integrated steel producers – both of which are in a state of uncertainty. Stelco has emerged from CCAA protection and will see changes in existing operations and could also face labour issues in the early summer. And, North America’s most profitable steelmaker, Dofasco, was the focus of an aggressive takeover in late 2005. The strengthening of the Canadian dollar versus the U.S. greenback means that the local manufacturing sector will remain vulnerable and likely see more job losses and plant closures.

The good news for Hamilton is that 2006 should see another solid performance in both commercial and industrial building growth. There is nearly one million square feet of new industrial construction currently on the books and the opening of 680 acres of industrial land in late 2007 finally has GTA realtors and developers focusing on this community. Other key areas of growth in Hamilton this year include: the McMaster Innovation Park; several new facilities at Hamilton’s Port and Airport; major health care investments by Hamilton Health Sciences and St. Joseph’s hospital; and a number of high-profile Brownfield re-developments.

Finally, CIBC World Markets’ Metropolitan Activity Index is a measure designed to capture the level of economic activity in Canada’s 25 largest cities. The index ranked Hamilton seventh for 2005 and expects a similar performance in 2006. This ranking is significant because it’s more than just a measure of economic activity – it’s a momentum indicator. Therefore, if you consider this measure along with the Canadian Business Magazine ranking of Hamilton as the best place to do business in Ontario (6th in Canada) then we should have “our seat belts fastened” in 2006.

‘One Of The Best Calls I Ever Made’

Douglas Jones, President of Custom Resurfacing Solutions (CRS), looked to the SBEC when starting his business. CRS specializes in fabricating pure natural granite, approximately 3/8 of an inch thick, re-inforced with fibreglass imported from Italy, which is then installed over an existing counter top at a fraction of the price compared to the traditional stone.

“This had to be one of the best calls I ever made,” said Jones, of contacting the SBEC. “The level of expertise, personalized service along with the resource information available, provided the elements necessary to assist in reviewing our business plan. The team at the SBEC were very helpful, offering us the service and guidance we required to start our business. We encourage all entrepreneurs to explore this unique opportunity, and seek the advice of this dynamic support team before investing energy into a new business venture.”