



**City of Hamilton**  
**GENERAL ISSUES COMMITTEE**

**Meeting #:** 18-009  
**Date:** April 18, 2018  
**Time:** 9:30 a.m.  
**Location:** Council Chambers, Hamilton City Hall  
71 Main Street West

Stephanie Paparella, Legislative Coordinator (905) 546-2424 ext. 3993

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	<b>Pages</b>
<b>1. APPROVAL OF AGENDA</b>	
(Added Items, if applicable, will be noted with *)	
<b>2. DECLARATIONS OF INTEREST</b>	
<b>3. APPROVAL OF MINUTES OF PREVIOUS MEETING</b>	
3.1 April 4, 2018	4
<b>4. DELEGATION REQUESTS</b>	
4.1 Viv Saunders respecting the use of Municipal Resources during a Municipal Election	11
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5.1 2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide)	12
5.2 Canada Day - Operating Model (CM18010) (City Wide)	27
5.3 Barton Village Business Improvement Area (BIA) Revised Board of Management (PED16081(c)) (Wards 2 and 3)	29
<b>6. PUBLIC HEARINGS / DELEGATIONS</b>	

- 6.1 \*\* WITHDRAWN - Brian G. Buckle, 13th Battalion Auchmar Heritage Trust, to present and read an open letter to the City, on behalf of the Auchmar Trust, regarding Auchmar House and Clairmont Park.

**7. STAFF PRESENTATIONS**

**8. DISCUSSION ITEMS**

- 8.1 Use of City Resources during an Election Period Policy (CL18004) (City Wide) 31

NOTE: Revised Appendix "A"

- 8.2 Public Transit Infrastructure Fund Phase Two (PTIF II) (FCS18048) (City Wide) 39

- 8.3 2018 Tax Policies and Area Rating (FCS18035) (City Wide) 49

NOTE: Revised Table 1 on Page 4 of 14

**9. MOTIONS**

- 9.1 Commercial Retail Outlets 68

**10. NOTICES OF MOTION 69**

**11. GENERAL INFORMATION / OTHER BUSINESS**

- 11.1 Amendments to the Outstanding Business List

11.1.a Proposed New Due Dates:

11.1.a.a Open Government: Access to Information for City of Hamilton Funded Boards and Agencies - Current Due Date: April 18, 2018, Proposed New Due Date: June 6, 2018

**12. PRIVATE AND CONFIDENTIAL**

- 12.1 ITEM WITHDRAWN: Closed Session Minutes - April 4, 2018

12.2 Stadium Litigation Update (CM18011/LS18015) (City Wide)

Pursuant to Section 8.1, Sub-sections (e) and (f) of the City's Procedural By-law 14-300, and Section 239(2), Sub-sections (e) and (f) of the *Ontario Municipal Act*, 2001, as amended, as the subject matters pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the City; and, the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

12.3 Potential Acquisition of Former Hamilton Psychiatric Hospital Lands (PED16254(d)) (Ward 8)

Pursuant to Section 8.1, Sub-section (c) of the City's Procedural By-law 14-300, and Section 239(2), Sub-section (c) of the *Ontario Municipal Act*, 2001, as amended, as the subject matter pertains to a proposed or pending acquisition or disposition of land for City purposes.

13. **ADJOURNMENT**



## GENERAL ISSUES COMMITTEE MINUTES 18-008

9:30 a.m.

Wednesday, April 4, 2018

Council Chambers

Hamilton City Hall

71 Main Street West

**Present:** Mayor F. Eisenberger, Deputy Mayor J. Partridge (Chair)  
Councillors T. Whitehead, D. Skelly, T. Jackson, C. Collins,  
S. Merulla, M. Green, J. Farr, A. Johnson, D. Conley,  
M. Pearson, L. Ferguson, A. VanderBeek, R. Pasuta

**Absent with  
Regrets:** Councillor B. Johnson – Medical

### THE FOLLOWING ITEMS WERE REFERRED TO COUNCIL FOR CONSIDERATION:

1. **Greater Bay Area Sub-Committee Clerk's Report 17-002, November 21, 2017 (Item 5.1)**

**(Green/Merulla)**

That the Greater Bay Area Sub-Committee Clerk's Report 17-002, November 21, 2017, be received.

**CARRIED**

2. **Smart Cities Challenge Proposal (CM18008) (City Wide) (Item 7.2)**

**(Jackson/Eisenberger)**

That the City Manager submit an application, with the support of Hamilton's major institutional partners, to the infrastructure Canada Smart Cities Challenge by April 24, 2018.

**CARRIED**

3. **Bill 139, *Building Better Communities and Conserving Watersheds Act, 2017* and the new Local Planning Appeal Tribunal (LS16027(d)) (City Wide) (Item 7.3)**

**(Merulla/Jackson)**

That Report LS16027(d), respecting Bill 139, *Building Better Communities and Conserving Watersheds Act, 2017* and the new Local Planning Appeal Tribunal, be received.

**CARRIED**

**4. Locke Street Business Improvement Area (BIA) Proposed 2018 Operating Budget and Schedule of Payment (PED16055(b)) (Ward 1) (Item 8.1)****(A. Johnson/Conley)**

- (a) That the 2018 Operating Budget for the Locke Street Business Improvement Area, attached as Appendix "A" to Report PED16055(b), be approved in the amount of \$93,500;
- (b) That the levy portion of the Operating Budget for the Locke Street Business Improvement Area in the amount of \$30,000 be approved;
- (c) That the General Manager of Finance and Corporate Services be hereby authorized and directed to prepare the requisite By-law, pursuant to Section 208, of the *Municipal Act, 2001*, to levy the 2018 Budget as referenced in Recommendation (b) of Report PED16055(b); and,
- (d) That the following schedule of payments for 2018, be approved:

April	\$15,000
June	\$15,000

**CARRIED****5. Business Improvement Area Advisory Committee Report 18-003, March 13, 2018 (Item 8.2)****(VanderBeek/Ferguson)**

- (a) **Community Policing in the Business Improvement Areas (Added Item 8.4)**
  - (i) That more community policing be implemented in the Business Improvement Areas, including beat officers, satellite police offices, and foot patrol; and,
  - (ii) That these be included in the 2018 Police Budget and Policy Plan.

**CARRIED****6. Advisory Committee for Persons with Disabilities Report 18-003, March 13, 2018 (Item 8.3)****(Whitehead/Merulla)**

- (a) **Resignation – Advisory Committee for Persons with Disabilities (Item 5.1)**
  - (i) That the letter of resignation from Clare Cruickshank from the Advisory Committee for Persons with Disabilities, be received; and

- (ii) That the membership number of the Advisory Committee for Persons with Disabilities be adjusted accordingly to obtain quorum.

**(b) Outreach Working Group Roundtable Discussion (Item 5.4)**

- (i) That a roundtable discussion event with service providers to discuss how the City of Hamilton can improve the quality of life for persons with disabilities, be approved; and,
- (ii) That the draft letter of invitation to the Outreach Working Group Roundtable Discussion, attached hereto as Appendix "B", be approved.

**CARRIED**

**7. Update Respecting Multi Residential Taxation (FCS18002) (City Wide) (Item 8.5)**

**(Jackson/Eisenberger)**

That Report FCS18002, regarding an Update Respecting Multi Residential Taxation, be received.

**CARRIED**

**8. 2017 Downtown Urban Growth Centre Employment Survey and Vacancy Update (PED18073) (Wards 1, 2 and 3) (Item 8.6)**

**(A. Johnson/Conley)**

That Report PED18073 respecting the 2017 Downtown Urban Growth Centre Employment Survey and Vacancy Update, be received.

**CARRIED**

**9. Potential Class Action Litigation (LS15012(a)) (City Wide) (Item 12.1)**

**(Merulla/Whitehead)**

That Report LS15012(a), respecting a Potential Class Action Litigation matter, be received and remain confidential.

**CARRIED**

**FOR INFORMATION:**

**(a) CHANGES TO THE AGENDA (Item 1)**

The Committee Clerk advised of the following changes to the agenda:

**1. STAFF PRESENTATIONS (Item 7)**

- 7.1 2017 Downtown Urban Growth Centre Employment Survey and Vacancy Update (PED18073) (Wards 1, 2 and 3)

Staff have advised that there will not be a presentation to accompany this report. Therefore, the matter has been moved to Item 8.6.

- 7.3 Bill 139, *Building Better Communities and Conserving Watersheds Act, 2017* and the new Local Planning Appeal Tribunal (LS16027(d)) (City Wide) (*Referred by Council on March 28, 2018 from the Planning Committee to the General Issues Committee*)

**2. DISCUSSION ITEMS (Item 8)**

- 8.4 Smart Cities Challenge Proposal (CM18008) (City Wide)

Staff have advised that there is a presentation to accompany this report. Therefore, the matter has been moved to Item 7.2.

**(Conley/A. Johnson)**

That the agenda for the April 4, 2018 General Issues Committee meeting be approved, as amended.

**CARRIED**

**(b) DECLARATIONS OF INTEREST (Item 2)**

There were no declarations of interest.

**(c) APPROVAL OF MINUTES OF THE PREVIOUS MEETINGS (Item 3)**

**(i) March 21, 2018 (Item 3.1)**

**(Skelly/Pasuta)**

That the Minutes of the March 21, 2018 meeting of the General Issues Committee be approved, as presented.

**CARRIED**

**(d) DELEGATION REQUESTS (Item 4)**

- (i) Brian G. Buckle, 13<sup>th</sup> Battalion Auchmar Heritage Trust, to present and read an open letter to the City on behalf of the Auchmar Trust regarding Auchmar House and Clairmont Park (For April 18, 2018)**

**(Jackson/Farr)**

That the delegation request submitted by Brian G. Buckle, 13<sup>th</sup> Battalion Auchmar Heritage Trust, to present and read an open letter to the City on behalf of the Auchmar Trust regarding Auchmar House and Clairmont Park, be approved to appear before the General Issues Committee on April 4, 2018.

**CARRIED****(e) CONSENT ITEMS (Item 5)**

- (i) Various Sub-Committee / Advisory Committee Minutes (Item 5.2)**

**(Green/Merulla)**

That the following advisory Committee minutes, be received:

- (1) Advisory Committee for Persons with Disabilities 17-011, December 12, 2017 (Item 5.2(a))
- (2) Advisory Committee for Persons with Disabilities 18-001, January 16, 2018 (Item 5.2(b))
- (3) Advisory Committee for Persons with Disabilities 18-002, February 13, 2018 (Item 5.2(c))
- (4) Business Improvement Area Advisory Committee 18-002, February 13, 2018 (Item 5.2(d))

**CARRIED****(f) STAFF PRESENTATIONS (Item 7)**

- (i) Smart Cities Challenge Proposal (CM18008) (City Wide) (Item 7.2)**

Andrea McKinney, Chief Digital Officer, addressed Committee and provided a PowerPoint presentation respecting Report CM18008 – the Smart Cities Challenge proposal.

**(Pearson/Conley)**

That the presentation, respecting Report CM18008 – the Smart Cities Challenge proposal, be received.

**CARRIED**



A copy of the presentation is available on the City's website at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

For disposition of this matter, please refer to Item 2.

**(ii) Bill 139, *Building Better Communities and Conserving Watersheds Act, 2017* and the new Local Planning Appeal Tribunal (LS16027(d)) (City Wide) (Item 7.3)**

Joanna Wice, Solicitor, addressed Committee and provided a PowerPoint presentation respecting Report LS16027(d) - Bill 139, *Building Better Communities and Conserving Watersheds Act, 2017* and the new Local Planning Appeal Tribunal.

**(Pearson/Merulla)**

That the presentation respecting Report LS16027(d) - Bill 139, *Building Better Communities and Conserving Watersheds Act, 2017* and the new Local Planning Appeal Tribunal, be received.

**CARRIED**

A copy of the presentation is available on the City's website at [www.hamilton.ca](http://www.hamilton.ca) or through the Office of the City Clerk.

For disposition of this matter, please refer to Item 3.

**(g) GENERAL INFORMATION / OTHER BUSINESS (Item 11)**

**(i) Outstanding Business List (Item 11.1)**

**(Pasuta/Jackson)**

That the following amendment to the General Issues Committee's Outstanding Business List, be approved:

**(a) Items to be Removed:**

- (i) Update respecting Multi-Residential Property Taxation (Addressed as Item 8.5 on today's agenda – FCS18002)**

**CARRIED**

**(h) PRIVATE & CONFIDENTIAL (Item 12)**

As Committee determined that discussion of Item 12.1 was not required in Closed Session, the matter was approved in Open Session.

**(i) Potential Class Action Litigation (LS15012(a)) (City Wide) (Item 12.1)**

For disposition of this matter, please refer to Item 9.

**(i) ADJOURNMENT (Item 13)**

**(Pearson/Green)**

That, there being no further business, the General Issues Committee be adjourned at 11:42 a.m.

**CARRIED**

Respectfully submitted,

J. Partridge, Deputy Mayor  
Chair, General Issues Committee

Stephanie Paparella  
Legislative Coordinator  
Office of the City Clerk

**Form: Request to Speak to Committee of Council**

Submitted on Tuesday, April 3, 2018 - 7:42 am

**==Committee Requested==**

**Committee:** Advisory/Sub-Committee

**Name of Sub-Committee:** ~~Governance Review Sub-Committee~~ General Issues Committee

**==Requestor Information==**

**Name of Individual:** Viv Saunders

**Name of Organization:** n/a

**Contact Number:**

**Email Address:**

**Mailing Address:**

**Reason(s) for delegation request:**

AMENDED REQUEST (for clarification):

Wish to speak regarding Use of Municipal Resources during an election ~~at the meeting scheduled for 2:00 p.m. on Thursday, April 5th, 2018~~

**Will you be requesting funds from the City? No**

**Will you be submitting a formal presentation? No**



# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	April 18, 2018
<b>SUBJECT/REPORT NO:</b>	2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Gloria Rojas (905) 546-2424, Ext. 6247
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

## Council Direction:

N/A

## Information:

The City of Hamilton has participated in an annual Tax Competitiveness Study since 2001. Each year, staff reports on the results of this study highlighting how Hamilton's property tax burden compares to other municipalities both for the current year and the trend experienced over the previous years.

This Report deals with the main focus of the study – **comparison of relative taxes**. The full study will be made available through the City's website ([www.hamilton.ca](http://www.hamilton.ca)).

Generally, when compared to the entire survey (which currently includes 111 Ontario municipalities ranging in population from 4,800 to 2.9M), Hamilton's ranking in relative tax burden, by major property class, remains "high" with the exception of Office Building and Large Industrial, which continue to be ranked "mid". When compared to a smaller, more representative sample (either in population or location), the general trend shows that Hamilton's position, over the long-term, has improved.

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**SUBJECT: 2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide) -  
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When comparing the tax burden on specific property classes to previous years, some improvements have been seen in Hamilton's position versus the comparators. Office Building and Large Industrial continue to be well below the comparator average (11% and 15%, respectively) and the neighbourhood shopping centre class has made improvements from a difference of 33% above the comparator average to 12% above the average. In the case of the Residential property class, over the last 10 years, Hamilton's position has improved from 11% above the compactor average in 2011 to 6% above the comparator average in 2017.

The smaller, more representative sample, referred to as the comparators, is now made up of 15 municipalities. Staff has selected these municipalities based on the criteria that the municipality has been included in the study since 2002 and either has a population greater than 100,000 or is in close proximity to the City of Hamilton.

**What factors influence tax burden?**

It should be noted that the objective of this Report is to identify *general* trends and not a specific year-over-year result. There are many factors that affect a municipality's ranking (both compared to prior years and to the sample average) in any particular year. Some factors include:

- Changes to the sample properties included in the study
- Sample properties experiencing an impact that differs from the respective municipal average (change in value either due to reassessment or a physical change to the property)
- Levy restrictions to the Multi-Residential, Commercial and Industrial property classes
- Tax policies (i.e. tax ratio, use of optional property classes, area rating)
- Non-uniform education tax rates in the non-residential tax class
- The level of service provided and the associated costs of providing these services
- Access to other sources of revenue such as land transfer tax (Toronto only), Provincial subsidies, gaming and casino revenues, user fees, etc.

By focusing on the general trends and not concentrating on the results of one specific year, one can determine if the municipality is moving in the right direction.

The following section highlights some key findings of the comparison of relative taxes for each of the main property classes.

**Residential Property Taxes**

As shown in Figure 1, in 2017, Hamilton's average property taxes of \$4,036 for a detached bungalow were 6% above the comparator average property taxes, which is a considerable improvement since 2011 when the residential taxes were 11% above the comparators.

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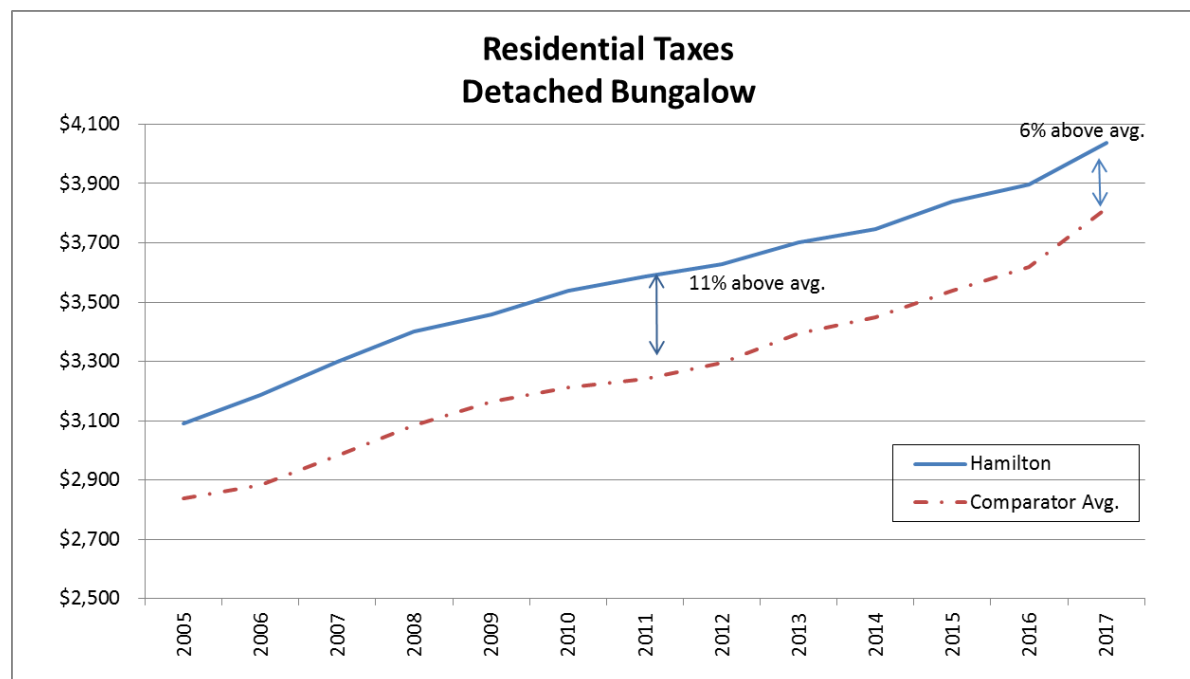
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**SUBJECT: 2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide) -  
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Figure 1



This trend is in line with the low tax increases over the last few years when compared to similar municipalities as reflected in Figure 2.

Figure 2

**Residential Tax Impact 2015-2017**

	Ottawa	Hamilton	Halton / Burlington	Kingston	Peel / Mississauga	London	Toronto	Haldimand	Guelph
2015	2.0%	3.4%	2.7%	2.5%	2.8%	2.5%	2.8%	3.5%	4.3%
2016	2.0%	1.7%	2.0%	2.5%	2.5%	2.9%	2.7%	2.5%	3.0%
2017	2.0%	2.1%	2.6%	2.5%	2.9%	2.8%	2.5%	2.5%	3.1%
<b>Average</b>	<b>2.0%</b>	<b>2.4%</b>	<b>2.4%</b>	<b>2.5%</b>	<b>2.7%</b>	<b>2.7%</b>	<b>2.7%</b>	<b>2.8%</b>	<b>3.5%</b>

Overall, Hamilton has showed improvement over the last 10 years even though the City continues to be negatively impacted by the levy restriction on the Industrial property class and more recently, with the restriction to pass any reassessment and levy related increases to the Multi-Residential property class, which result in an added tax burden on Hamilton's Residential property class. The results of latest reassessment cycle (2017-2020) will have an additional impact to the Residential property class as property values rose above the City's average causing a shift in the tax burden. Staff will continue to monitor how reassessment is impacting the Residential property class.

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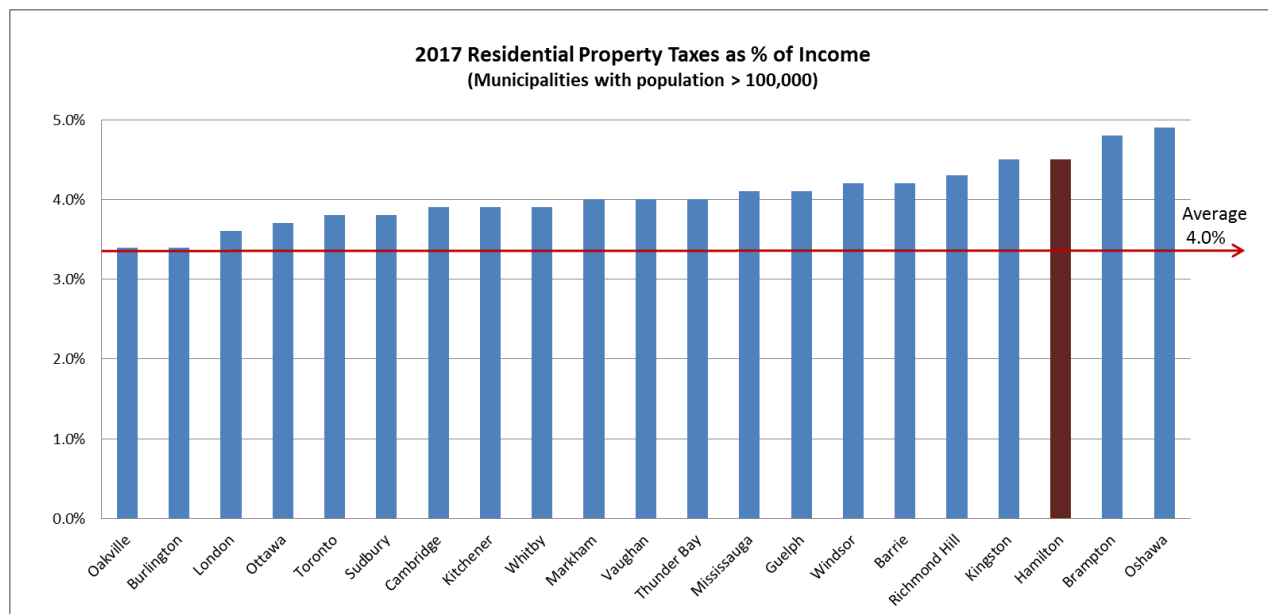
**SUBJECT: 2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide) -  
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When compared with the full sample of the Study (103 municipalities), Hamilton's residential taxes rank high at 20% above the average. This result, however, must be taken with caution as there are many reasons for differences in tax burdens across municipalities. These include but are not limited to:

- Availability of comparable properties, especially in smaller, rural municipalities
- The values of similar properties vary significantly across the municipalities
- Different levels of service and the cost associated with those services
- Area rating

Figure 3 illustrates that residential property taxes, as a percentage of income in Hamilton at 4.5%, are higher than the sample average of 4.0% (municipalities with populations greater than 100,000). Hamilton's average household income of \$92,089 in 2017 is approximately 10% lower than the sample at \$102,973.

**Figure 3**



Household income is one measure of a community's ability to pay for services. However, it can be a difficult measure for cities to affect change. To improve this measure, either expenditures need to be reduced (possibly impacting services to residents) or incomes need to increase, which is a long-term factor influenced by the city's economics.

Figure 4 identifies the historical trend for the City.

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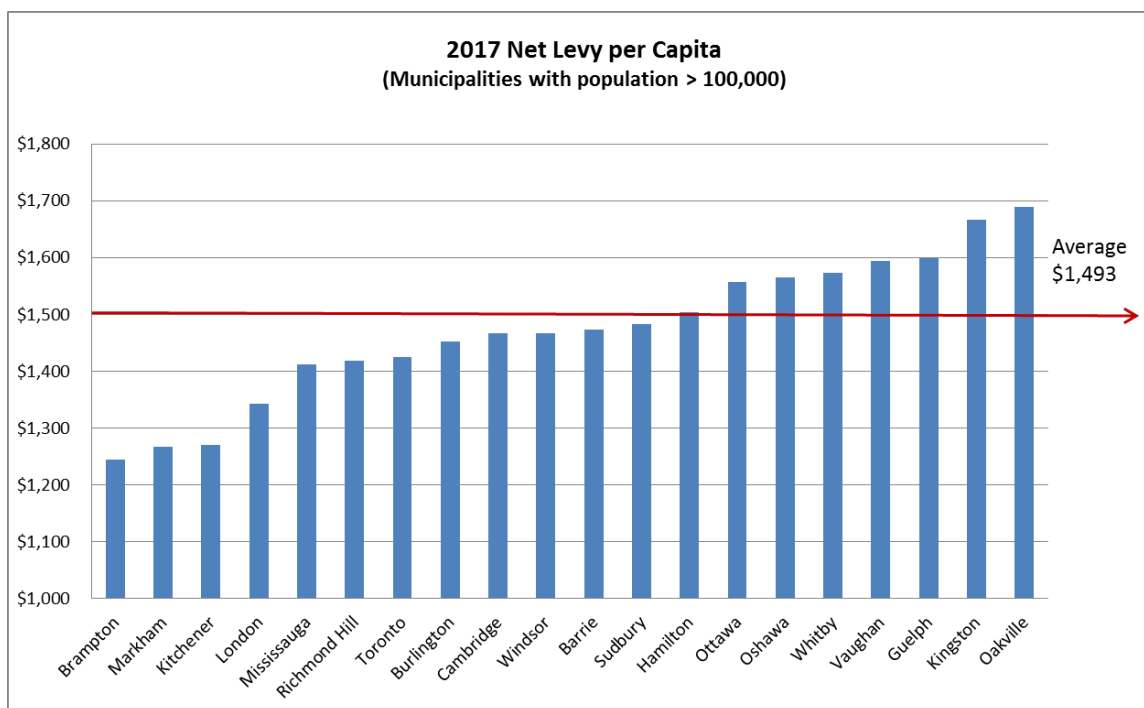
**Figure 4**

**Residential Property Taxes as % of Income 2008 - 2017**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Hamilton	6.1%	5.2%	5.0%	5.0%	4.6%	4.3%	4.4%	4.4%	4.3%	4.5%
Comparator's Average	4.6%	4.2%	4.1%	4.1%	3.8%	4.0%	4.0%	3.8%	3.7%	4.0%
<b>Difference</b>	<b>32%</b>	<b>25%</b>	<b>21%</b>	<b>23%</b>	<b>21%</b>	<b>7%</b>	<b>10%</b>	<b>14%</b>	<b>16%</b>	<b>11%</b>

As shown in Figure 4, although Hamilton is above the average among the comparator municipalities, its position has had a significant improvement over the last few years, whereby Hamilton's average property taxes, as a percentage of income, was 6.1% in 2008, which was 32% above the larger municipalities sample average but the difference has been reduced to 11% above the average over the past several years. Notwithstanding the fact that property taxes are not conditional on income, overall, this trend shows improvement in the ability to pay.

**Figure 5**



As shown in Figure 5, Hamilton's 2017 net levy per capita of \$1,504 is basically at par with the average levy per capita of the comparators (at \$1,493), which continues to be consistent with previous years and demonstrates that Hamilton's higher than average property tax burden, as a percentage of income, is a product of lower income levels rather than a municipal spending issue.

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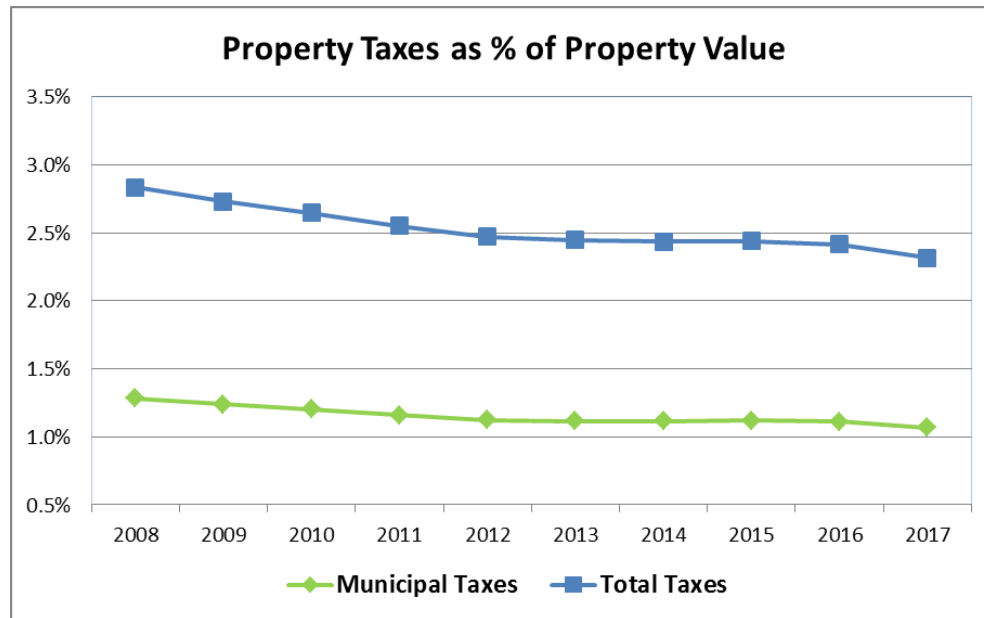
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**Figure 6**



As shown in Figure 6, Hamilton's residential municipal property taxes, as a percentage of property value, have shown a consistent, slow reduction since 2008 ranging from 1.3% to 1.1%. The significant assessment growth in the residential property class experienced in Hamilton in the last several years has been a major factor for this result.

#### Multi-Residential Property Taxes

Hamilton's average property taxes per unit for an apartment (both walk-up and high rise) have risen from as low as 3% above the comparator average reaching a high of 15% above the comparator average in 2015. This is primarily due to the Multi-Residential assessment values in the 2013-2016 reassessment cycle which rose above the City's average. This trend seems to be reversing and is now at 13% above the comparator average. In the latest reassessment cycle (2017-2020), the Multi-Residential property class saw an average reassessment benefit of 1.7% which resulted in an average tax decrease of 2.3% for 2017. The reduction in Multi-Residential taxes is expected to continue during 2018-2020 as the current reassessment cycle continues. Figure 7 illustrates these results.

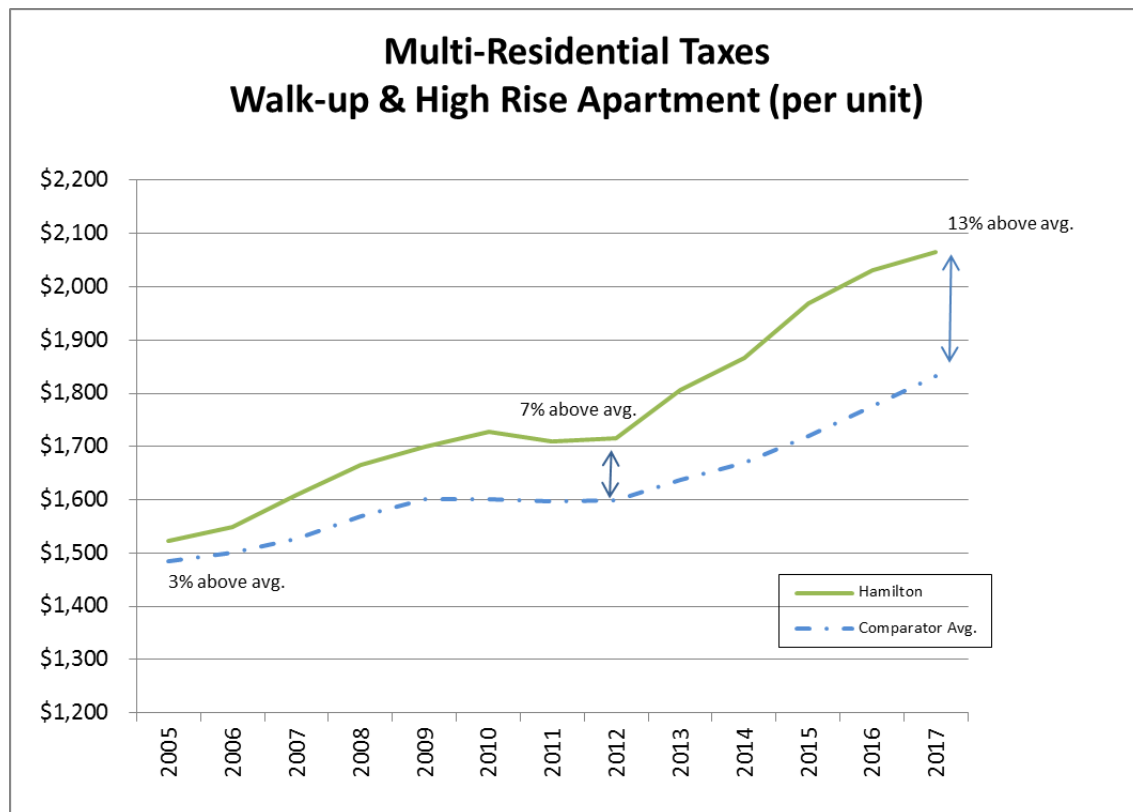
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**SUBJECT: 2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide) -  
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**Figure 7**



Additional reductions in the tax burden of the Residential property class are expected since, in 2017, the Province enacted legislation to freeze the tax burden for Multi-Residential properties in municipalities where the tax ratio is above 2.0, implementing a full levy restriction and preventing to pass any reassessment increases onto the Multi-Residential property class.

Additional information on the Multi-Residential property class can be found in Report FCS18002, "Update Respecting Multi-Residential Taxation".

### Commercial Property Class

When measuring the competitiveness of the Commercial property class across the Province, it is important to keep in mind the challenges that the sector is facing as a result of the evolving economic landscape, including:

- The closure of major anchor retailers
- The entry of new, high-end international retailers into the Canadian marketplace
- Changing shopping patterns of Canadian consumers / online shopping
- Substantial number of appeals filed by owners / operators

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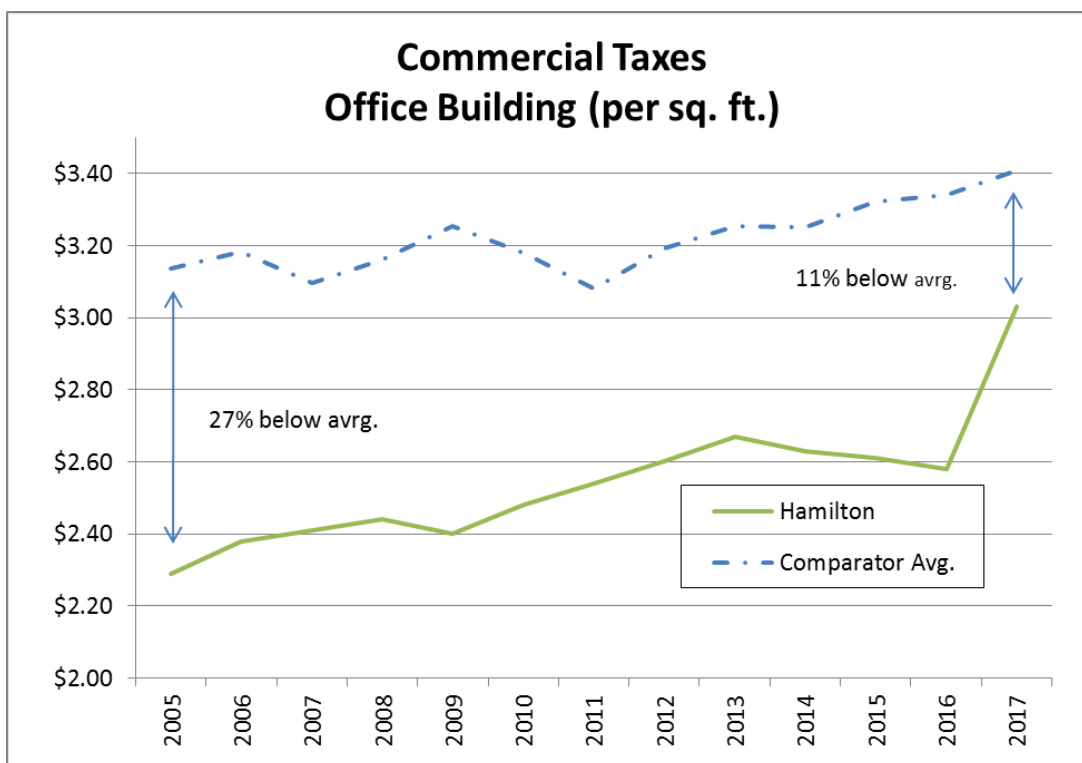
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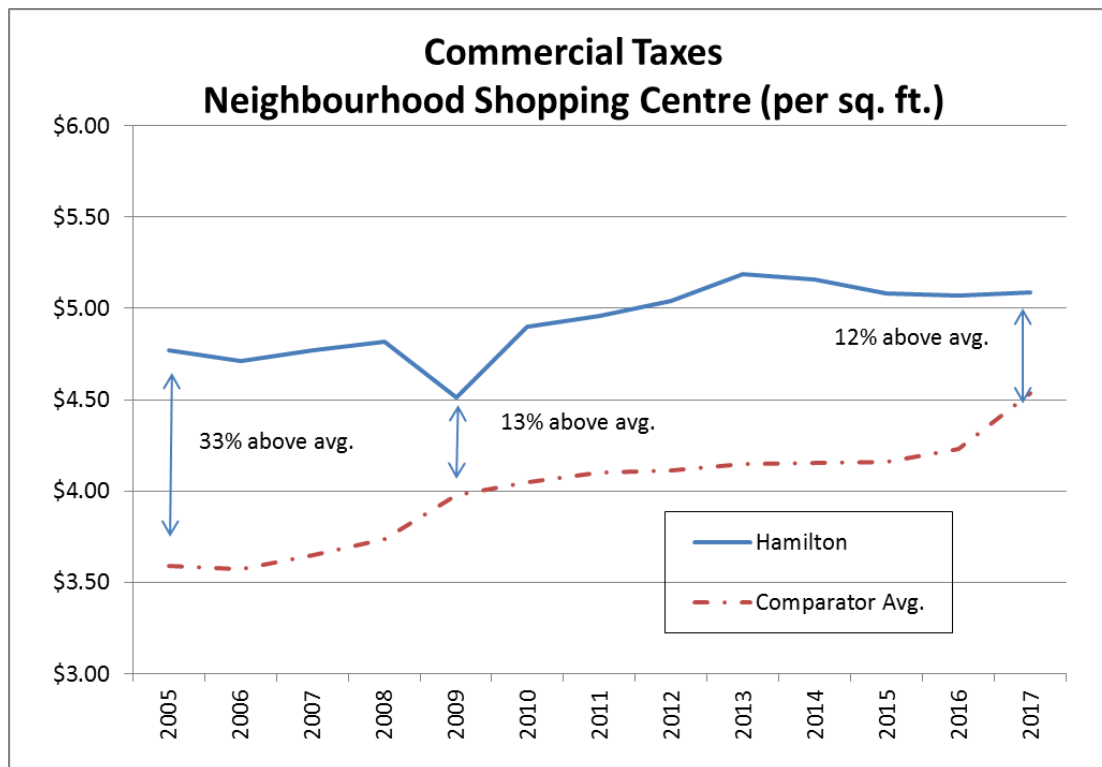
As seen in Figures 8 and 9 below, there is no a regular pattern between sectors in the class but rather, each type of property follows different trends. While the tax burden of office buildings in Hamilton has been historically lower than the sample average, the tax burden of the Neighbourhood Shopping Centres continues to be above the comparator average. In both cases, the trend was relatively stable in the last several years but the gap seems to be narrowing which could be explained by the reassessment impacts of the last cycle.

**Figure 8**



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**Figure 9**



### Industrial Property Class

Similar to the Commercial property class, the Industrial property class follows different patterns depending on the type or size of industry.

Regarding the Standard Industrial property class (under 125,000 sq. ft. in size), the results have been somewhat volatile during the study period. After a steady and significant increase in the gap between Hamilton and comparable municipalities during 2010-2012, the difference has remained relatively stable, but still high at 24%.

Figure 10 illustrates the previously explained trend.

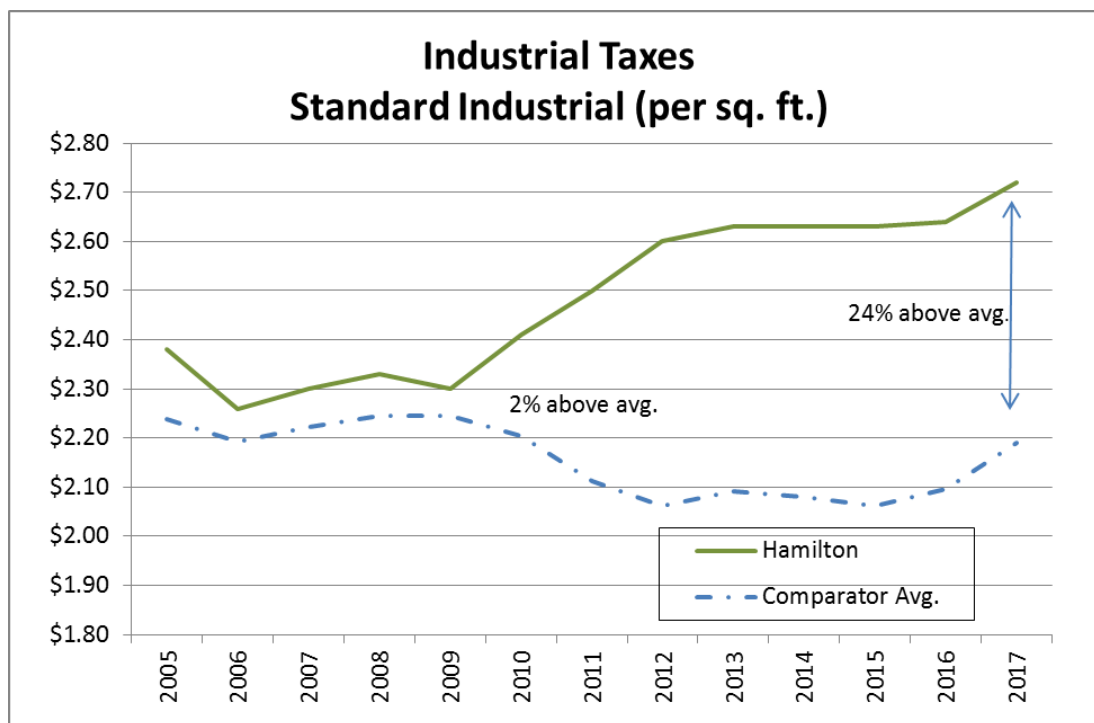
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**Figure 10**



The gap between Hamilton and comparable municipalities in the Large Industrial property class (larger than 125,000 sq. ft. in size) has also been volatile during the study period but in this case, Hamilton is in a more competitive position being below the comparators (15% below in 2017). The fact that Hamilton's tax burden is low, however, translates into a greater tax burden for other classes, primarily the Residential property class.

The gap between the comparators and Hamilton can be attributed to a variety of reasons including the overall decline of the manufacturing industry in Ontario which is driven by global variables and has left many municipalities with a reduced assessment base due to appeals, vacancies, etc. In addition, the Provincial Business Education Tax (BET) reduction plan, which was in place until 2013 and was used to lower the Industrial education tax rate to an annual ceiling, benefitted many of the comparators but did not provide a relief to Industrial properties in Hamilton since its education tax rate had been below the ceiling.

The previously explained trend can be seen in Figure 11 below.

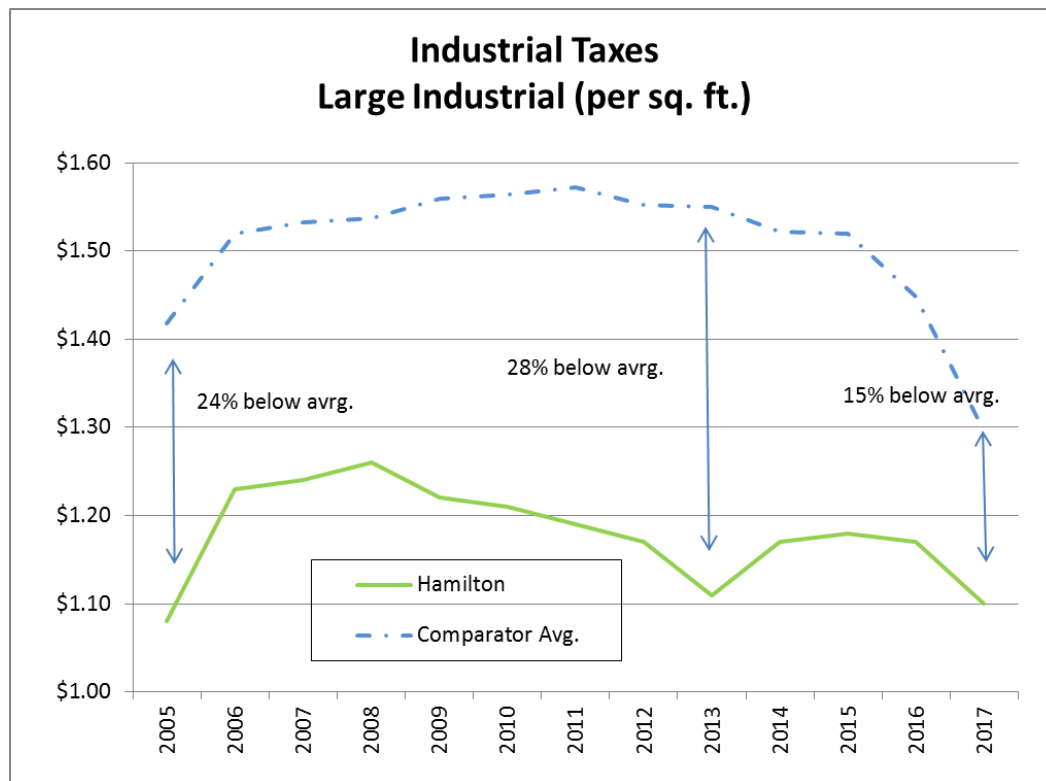
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**SUBJECT: 2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide) -  
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**Figure 11**



### Residential versus Non-Residential Split

Hamilton's 2017 unweighted assessment is comprised of 87.8% Residential and 12.2% Non-Residential. Hamilton continues to have a lower percentage share of non-residential unweighted assessment when compared to larger municipalities (populations greater than 100,000), which averaged 83.5% Residential and 16.5% Non-Residential. Figure 12 illustrates these results.

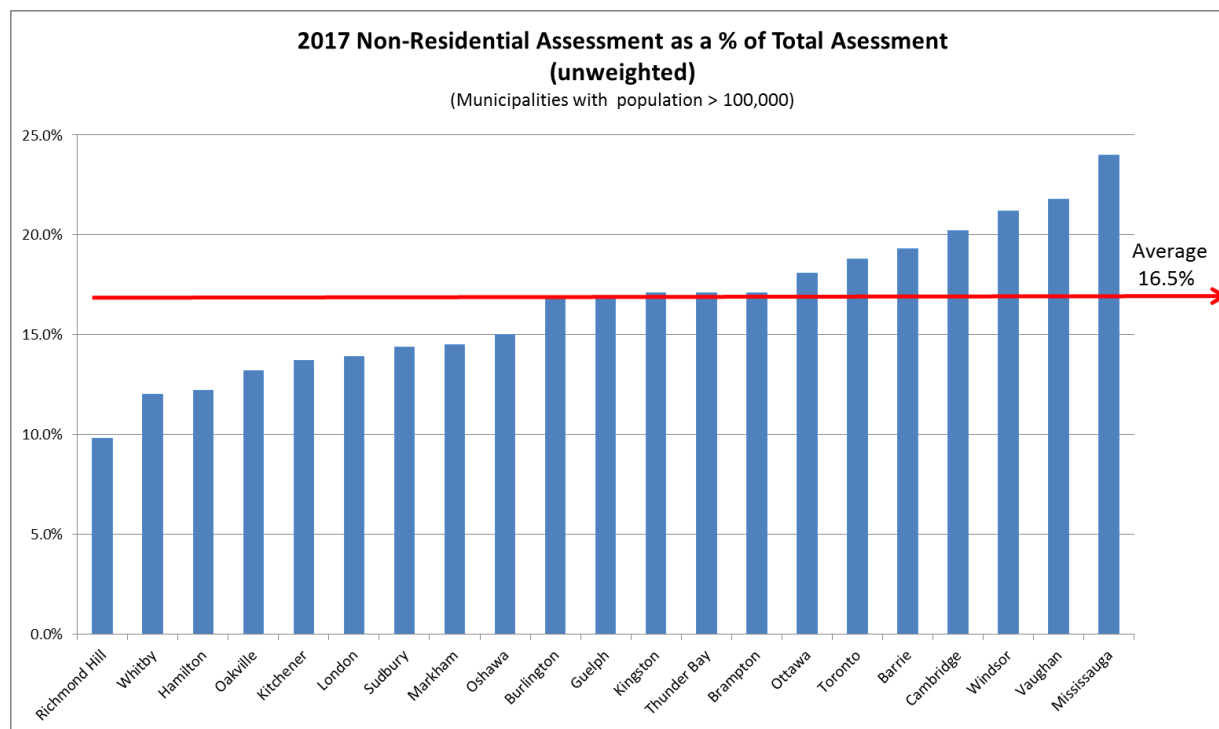
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**SUBJECT: 2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide) -  
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**Figure 12**



As shown in Figure 13, Hamilton's current share of non-residential assessment has been the lowest during the study period.

**Figure 13**

**Residential vs Non-Residential Assessment 2008 - 2017**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Residential</b>	87.4%	87.5%	86.6%	86.3%	86.4%	86.7%	87.1%	87.0%	87.0%	87.8%
<b>Non-Residential</b>	12.6%	12.5%	13.4%	13.7%	13.6%	13.3%	12.9%	13.0%	13.0%	12.2%

**Note:** Commencing in 2010, BMA study includes PIL assessment, however if PIL assessment is excluded, Hamilton still experienced an increase in Non-Residential Assessment in both 2010 and 2011.

It must be noted, however, that although Hamilton's share of non-residential assessment has decreased over time, this is a trend that also has been experienced by the comparable municipalities.

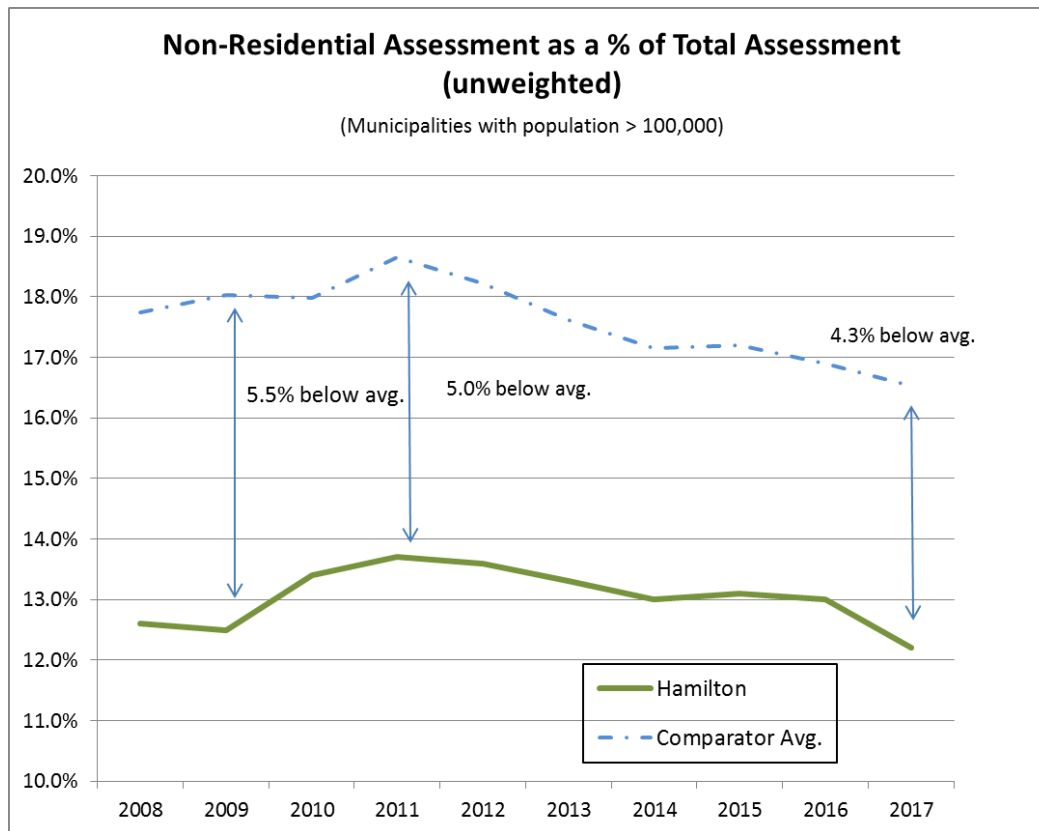
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**SUBJECT: 2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide) -  
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**Figure 14**



In 2011, the non-residential assessment share of total assessment in the comparable municipalities had an average of 18.7% while Hamilton was at 13.7% as shown in Figure 14. For 2017, the share has been reduced to 16.5% and 12.2%, respectively. In the last few years, the difference between Hamilton and comparable municipalities has been relatively stable at approximately 4.1% – 4.3%.

Hamilton's results are more in line with those of the entire sample of the Study, which had an average share of non-residential assessment of 13.2% in 2017. Figure 15 shows the top three municipalities with the highest proportion of unweighted assessment per property class.

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**SUBJECT: 2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide) -  
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**Figure 15**

**Municipalities with the Highest Proportion of  
Unweighted Assessment per Property Class**

Residential		Multi-Residential		Commercial		Industrial	
Gravenhurst	90.8%	Waterloo	9.1%	Cornwall	23.9%	Ingersoll	7.5%
Georgina	90.4%	Kingston	7.4%	Niagara Falls	22.7%	St. Mary's	6.9%
Pelham	89.9%	Elliot Lake	7.2%	Parry Sound	20.5%	Vaughan	5.5%

Overall, although Hamilton has experienced significant total assessment growth in the last several years, with building permits exceeding \$1B annually in the last six years, most of the growth continues to be in the Residential property class. In addition, the growth attained in the non-residential property classes is driven by institutional properties (hospitals, educational institutions) which do not translate in additional revenue for the City. Another factor that is negatively affecting the ratio of Residential versus Non-Residential assessment is the increasing number of successful appeals and ongoing assessment reviews by Municipal Property Assessment Corporation (MPAC) in the Commercial and Industrial property classes.

#### Tax Ratios

Tax ratios distribute tax burden between classes relative to the residential class tax ratio. For example, a non-residential property with a tax ratio of 2.0 would pay twice the amount of municipal tax as a similarly valued residential property. Tax ratios are largely historical and represent the relative taxes between classes that existed when the Province established the current tax system in 1998.

Hamilton's tax ratios compared to the Provincial Thresholds and comparators' tax ratios by property class are shown in Figure 16.

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**SUBJECT: 2017 Municipal Tax Competitiveness Study (FCS18021) (City Wide) -  
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Figure 16

**Tax Ratios by Property Class**

	<b>Multi-Residential</b>	<b>Commercial</b>	<b>Industrial</b>
Barrie	1.0000	1.4334	1.5163
Brampton	1.7050	1.2971	1.4700
Guelph	1.9287	1.8400	2.2048
<b>Hamilton</b>	<b>2.6913</b>	<b>1.9800</b>	<b>3.4414</b>
Kingston	2.0000	1.9800	2.6300
London	1.8880	1.9500	1.9500
Mississauga	1.5888	1.4517	1.5934
Ottawa	1.4530	1.9260	2.7054
Sudbury	2.1217	2.0669	4.3110
Thunder Bay	2.5665	2.1444	2.4883
Toronto	2.7277	2.8828	2.8828
Windsor	2.3564	2.0190	2.3200
<b>Provincial Threshold</b>	<b>2.7400</b>	<b>1.9800</b>	<b>2.6300</b>

As shown in Figure 16, all municipalities have a Multi-Residential tax ratio below the Provincial Threshold. Although some municipalities have had reduction targets for this class, other municipalities including Hamilton, had reduced their Multi-Residential tax ratio due to reassessment or Provincial legislation. Regarding the Commercial tax ratio, with the exception of Sudbury, Thunder Bay, Toronto and Windsor, all municipalities have a tax ratio at or below the Provincial Threshold.

Hamilton is one of three municipalities, including Sudbury and Toronto, that has an Industrial tax ratio above the Provincial Threshold. All other municipalities in the 2017 study have an Industrial tax ratio at or below the Provincial Threshold. Since the Industrial property class is restricted, municipalities with a tax ratio above the Provincial Threshold are not allowed to pass a municipal tax increase of more than 50% of the increase applied to the Residential property class.

GR/dt

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# INFORMATION REPORT

<b>TO:</b>	Mayor Fred Eisenberger and Members of Council
<b>DATE:</b>	April 18, 2018
<b>SUBJECT/REPORT NO:</b>	Canada Day – Operating Model (CM18010) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>SUBMITTED BY:</b>	Brian MacDonald Manager, Revenue Generation City Manager's Office
<b>SIGNATURE:</b>	John Hertel Director Strategic Partnerships and Communications City Manager's Office

## **2018 Canada Day – Operating Model**

Since 2003, Tourism & Culture has managed and executed the City of Hamilton's Canada Day celebration held at Bayfront Park. In that time, Tourism & Culture have enhanced the event beyond just a fireworks display, to make it a marquee event in the City. As the event has evolved and with the support of the Strategic Partnerships & Communications team actively engaging sponsors, sponsorship interest has significantly increased which has expanded the scope of the event. An example of this operational expansion is the inclusion of name music acts into the day, in turn, requiring significant production resources (stage, sound production, act management, etc.)

A collaborative agreement between Tourism & Culture and Strategic Partnerships & Communications has been established to pilot a Revenue Generation led model for Canada Day celebrations in 2018. It is believed that this model will create event efficiencies while generating additional revenue streams for the City of Hamilton.

Since Canada Day 2016, the Revenue Generation section has been responsible for integrating sponsors and ensuring their expectations are met by providing a high level of executional service. With a collaborative operational model, there is an opportunity for Revenue Generation to showcase their expertise by adding enhancements that would be attractive to both the general public and the private sector and offer extensive opportunities for sponsors. By gaining additional sponsorship, the event will see growth and create additional revenue for the City of Hamilton.

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Revenue Generation will partner with Sonic Unyon, who will be responsible for all aspects of the event operation including entertainment, production, marketing, permits, staffing, etc. Sonic Unyon has extensive knowledge of the event based on their previous experience in managing the production and entertainment components in 2016 and 2017. By having this level of executional management in place, Revenue Generation will be able to focus on the strategic outlook of the event while managing sponsorships and creating a solid revenue stream for the City of Hamilton which is forecasted to be a \$50,000 contribution to the levy.

Revenue Generation will also be responsible for all pre and post internal and external follow up issues. Tourism and Culture will support in an advisory capacity only and not be responsible for operational activities.

A full assessment of this pilot approach will be completed in Q3 2018, and Committee will be provided a report in the new term of Council.

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**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
*Economic Development Division*

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	April 18, 2018
<b>SUBJECT/REPORT NO:</b>	Barton Village Business Improvement Area (BIA) Revised Board of Management (PED16081(c)) (Wards 2 and 3)
<b>WARD(S) AFFECTED:</b>	Wards 2 and 3
<b>PREPARED BY:</b>	Carlo Gorni (905) 546-2424 Ext. 2755
<b>SUBMITTED BY:</b>	Glen Norton Director, Economic Development Planning and Economic Development Department
<b>SIGNATURE:</b>	

### RECOMMENDATION

That the following individual be appointed to the Barton Village Business Improvement Area (BIA) Board of Management:

Kate Penney

### EXECUTIVE SUMMARY

Appointment to the Barton Village Business Improvement Area (BIA) Board of Management.

### *Alternatives for Consideration – Not Applicable*

### FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Not Applicable

Staffing: Not Applicable

Legal: The *Municipal Act 2001*, Sections 204-215 governs BIAs. Section (204) Subsection (3) stipulates “A Board of Management shall be composed of, (a) one or more Directors appointed directly by the Municipality; and (b) the remaining Directors selected by a vote of the membership of the improvement area and appointed by the Municipality”. Section 204

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**SUBJECT: Barton Village Business Improvement Area (BIA) Revised Board of Management (PED16081(c)) (Wards 2 and 3) - Page 2 of 2**

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Subsection (12) stipulates "...if a vacancy occurs for any cause, the Municipality may appoint a person to fill the vacancy for the unexpired portion of the term and the appointed person is not required to be a member of the improvement area."

**HISTORICAL BACKGROUND**

At its meeting on February 23, 2018, the BIA Board of Management nominated Kate Penney for a position on Board.

Should Council adopt the recommendation in Report PED16081(c), the aforementioned nominated BIA member, would replace Richard Bonaldo who has resigned from the BIA Board of Management.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Not Applicable

**RELEVANT CONSULTATION**

Not Applicable

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Not Applicable

**ALTERNATIVES FOR CONSIDERATION**

Not Applicable

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Economic Prosperity and Growth**

*Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.*

**APPENDICES AND SCHEDULES ATTACHED**

Not Applicable

CG:dt



# CITY OF HAMILTON

**Corporate Services Department  
Clerk's Office**

<b>TO:</b>	Chair and Members General Issues Committee
<b>COMMITTEE DATE:</b>	April 18, 2018
<b>SUBJECT/REPORT NO:</b>	Use of City Resources During an Election Period Policy (CL18004) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Tony Fallis, Manager, Elections/Print & Mail
<b>SUBMITTED BY:</b>	Rose Caterini City Clerk Corporate Services Department
<b>SIGNATURE:</b>	

## RECOMMENDATION

That the use of City Resources during an Election Period Policy, attached as Appendix A to Report CL18004, be approved.

## EXECUTIVE SUMMARY

Section 88.18 of the *Municipal Elections Act, 1996* (MEA) now requires municipalities and local boards, before May 1 of an election year, to establish rules and procedures with respect to the use of municipal or board resources during the election campaign period.

## FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)

Financial: NA  
Staffing: NA  
Legal: NA

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**SUBJECT: Use of City Resources During an Election Period Policy  
(CL18004) (City Wide)**

Page 2 of 4

**HISTORICAL BACKGROUND (Chronology of events)**

Use of city resources during election time is currently enforced through the Council Code of Conduct (By-Law 16-290) and the Clarification of Councillor Sponsorships and Related Expenditures Report (FC11108)

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

**Background**

The MEA specifies that a municipality or local board cannot make a contribution to a municipal election candidate (Section 88.8 (4) or a registered third party (Section 88.12 (4).

A “contribution” includes:

- a) money, goods and services given to and accepted by or on behalf of a person for his or her election campaign (Section 88.15 (1))
- b) money, goods, and services given to and accepted by or on behalf of an individual, corporation or trade union in relation to third party advertisements (Section 88.15 (2)).

A “contribution” may take the form of money, goods or services, any use of the Corporation’s resources for an election campaign by a Member of Council who is a candidate, or by any candidate or any registered third party, would be a contribution by the City.

The current Council Code of Conduct (By-law 16-290) states the following:

**SECTION 6: USE OF CITY PROPERTY, SERVICES AND OTHER RESOURCES**

6. (1) No Member of Council shall use, or permit the use of, City land, facilities, equipment, supplies, services, City employees or other resources, including City-owned materials, websites, Council transportation delivery services, or Councillor global budgets, for activities other than the business of the City.

(2) No Member of Council shall obtain financial gain from the use or sale of any City-developed intellectual property, (including inventions and creative writings or drawings), computer program, technical innovation, or other item capable of being patented, in which property remains in the exclusive ownership of the City.

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**SUBJECT: Use of City Resources During an Election Period Policy  
(CL18004) (City Wide)**

Page 3 of 4

**SECTION 7: ELECTION CAMPAIGN WORK**

7. (1) No Member shall use facilities, equipment, supplies, services or other resources of the City for any election campaign or campaign-related activities, except on the same basis (including paying a fee if any) as such resources are normally made available to members of the public.

(2) No Member shall use her or his newsletter or website linked through the City's website, for any election campaign or campaign-related activities.

(3) No Member shall use the services of any City employee for any election campaign or campaign-related activities during hours in which those City employees receive any compensation from the City.

The MEA specifies that a municipality or local board cannot make a contribution to a municipal election candidate (Section 88.8 (4) or a registered third party (Section 88.12 (4).

Clarification of Councillor Sponsorships and Related Expenditures Report (FC11108) contain the following Council approved guidelines:

Campaign Literature	Expenses incurred to produce or distribute campaign literature or materials will not be paid for by the City. In addition, newsletters may not be distributed after August 30 of an election year.
Sponsorship/Donations/Ticket Expense	Expenses related to sponsorships and donations (including the purchase of event tickets) will not be allowed after August 31 of an election year. Sponsorships/donations are not to be provided for any amounts levied in respect of any tax or user fees. Sponsorships/donations are limited to \$350 per named organization

The Policy, Use of City Resources During an Election Period Policy, attached as Appendix A to Report CL18004 is intended to be in addition to, and not replace, the above listed sections of the Council Code of Conduct or the Clarification of Councillor Sponsorships and Related Expenditures Report.

It is recognized that Members of Council are holders of their office until the end of their term. Nothing in this Policy shall preclude a Member of Council from performing their job, nor inhibit them from representing the interests of the constituents who elected them.

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**SUBJECT: Use of City Resources During an Election Period Policy  
(CL18004) (City Wide)****Page 4 of 4**

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**Purpose**

The purpose of this Policy is to provide a consistent approach and direction regarding the use of corporate resources during an election campaign.

**Application and Scope**

This Policy applies to Members of Council, candidates, registered third parties in a municipal election and staff during a campaign period.

**RELEVANT CONSULTATION**

Municipal Elections Act, 1996

Council Code of Conduct By-Law 16-290

Clarification of Councillor Sponsorships and Related Expenditures (FC11108)

Legal Services

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Consistent with the current MEA legislation and other municipalities in Ontario

**ALTERNATIVES FOR CONSIDERATION**

NA

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN****Community Engagement & Participation**

*Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.*

**Our People and Performance**

*Hamiltonians have a high level of trust and confidence in their City government.*

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## **USE OF CITY RESOURCES DURING AN ELECTION PERIOD POLICY**

### **1. Purpose**

The purpose of this Policy is to provide a consistent approach and direction regarding the use of City resources and those of its Local Boards during an election campaign. Should any Local Board or the City of Hamilton adopt its own policy governing the use of its resources for elections, such policy shall take precedence over this policy.

### **2. Application and Scope**

This Policy applies to Members of Council and its Local Boards, candidates, registered third parties in a municipal election and staff during a campaign period.

Exceptions:

- 2.1 Municipal information prepared, posted and maintained by the City, names and photographs of Members of Council, their contact information, and a list of current representation on committees that is prepared, posted and maintained by the City.
- 2.2 Agendas and minutes of Council and Committee meetings.
- 2.3 Media releases and City materials that describe inter-governmental activities of the Mayor, in the capacity as Head of Council, and Chief Executive Officer of the City.

### **3. Outcome**

This policy is intended to:

- 3.1 Ensure compliance with the *Municipal Elections Act, 1996*, in regards to the role of the City contributing to a municipal and trustee election campaign.
- 3.2 Ensure candidates and registered third parties are treated fairly and consistently.
- 3.3 Ensure the integrity of the election process is maintained at all times.
- 3.4 Establish the appropriate use of resources during an election period, in order to:
  - a. protect the interests of Members of Council, candidates, registered third parties, staff and the Corporation; and,
  - b. ensure accountable and transparent election practices.

## **4. Policy Statement(s)**

### **4.1 Candidates, Registered Third Parties and Members of Council**

In accordance with the MEA, Members of Council, candidates and/or registered third parties in a campaign period are not permitted to:

- (a) Use equipment, supplies, services, staff or other resources of the City for any campaign or campaign related activities;
- (b) Use City funds to acquire any resources for any campaign or campaign related activities, including ordering of stationery and office supplies;
- (c) Use City facilities or property for campaign events, unless the facility or property is rented in accordance with an agreement and the appropriate rates are paid;

Note: Such rental must be paid from the campaign account of the candidate or registered third party.

- (d) Use City funds to print or distribute any material that makes reference to, or contains the names or photographs, or identifies candidates or registered third parties;
- (e) Make reference to and/or identify any individual as a candidate, political party, registered third party or a supporter or opposition of a question on a ballot during an election, on any social media sites, blogs, and other new media created and managed by City employees;
- (f) Use a City brand, logo, crest, coat of arms, slogan or corporate program identifiers on any election campaign related material, either printed or on a campaign website; and,

Note: This provision includes the Municipal Election logo and any related identifiers.

- (g) Use City Information Technology (IT) assets, infrastructure, or data (e.g. computers, wireless devices, portals, corporate email, web pages, blogs, telephone) to communicate election related messages.

### **4.2 Advertising and Publications**

The following services will be discontinued for Members of Council who are candidates as of August 30:

- (a) All forms of advertising, including municipal publications (e.g. paper or web-based); and,

**REVISED: Appendix "A" to Report No CL18004**  
**Page 3 of 4**

- (b) All printing services, including printing, photocopying and distribution of publications, such as newsletters and ward reports, with the exception of communications specifically related to an authorized or scheduled City event (e.g. Public Meeting).

#### **4.3 Candidate and Registered Third Party Conduct**

- (a) Candidates and registered third parties may attend City organized events but are not permitted to campaign or disseminate election-related campaign materials;
- (b) A Member of Council attending an event as a representative of City Council is not to campaign while conducting City business. A Member of Council may speak at an event, as a representative of City Council, but is not permitted to use the event as an opportunity to campaign; and,
- (c) Candidates or registered third parties are not permitted to engage in campaign activities directed at City employees while those employees are at their workplace or engaged in work for the City.

#### **4.4 City Staff Conduct**

- (a) City staff shall not perform any work in support of a candidate or registered third party (e.g. campaign), during hours in which a person is receiving any compensation from the City, except during scheduled time off (e.g. scheduled vacation time). Staff shall not post or distribute campaign material on behalf of a candidate or registered third party at City facilities or on City property.

### **5. Roles and Responsibilities**

The City Clerk's Office is responsible for communicating this policy to candidates and registered third parties.

Chiefs, Commissioners, Directors, Managers and Supervisors are responsible for communicating this policy to their staff and to investigate reported contraventions to ensure that there is compliance.

Members of Council, election candidates, registered third parties and staff are accountable to comply with this policy.

**REVISED: Appendix “A” to Report No CL18004**  
**Page 4 of 4**

## 6. Definitions

Campaign Period	<p>For candidates, the date on which the Nomination Form is filed until December 31 in the year of an election (unless a request for extension of campaign period has been filed).</p> <p>For registered third parties, the date on which the Notice of Registration as a third party advertiser is filed until December 31 in the year of an election (unless a request for extension of campaign period has been filed).</p>
Candidate	Person who has filed a Nomination Form as a candidate in the municipal election.
City	The City of Hamilton and its local boards.
Local Board	Means a local board as that term is defined in the <i>Municipal Affairs Act, R.S.O. 1990, C.M. 46</i> .
Nomination Day	4th Friday in July in the year of the election, as prescribed in the <i>Municipal Elections Act, 1996 (MEA)</i> .
Registered Third Party	An individual, corporation or trade union that has filed a Notice of Registration as a third-party advertiser in the municipal election.
Social Media	Online technologies and practices used to share opinions, insights, experiences, and perspectives through words, pictures, music, videos and audio. Social media can take many different forms, including but not limited to internet forums, web logs (blogs), social blogs, messaging, wikis, podcasts, pictures, video, music sharing, rating and bookmarking.
Staff	All full-time, part-time and contract employees of the City.



# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>DATE:</b>	April 18, 2018
<b>SUBJECT/REPORT NO:</b>	Public Transit Infrastructure Fund Phase Two (PTIF II) (FCS18048) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

## Council Direction:

Not applicable.

## Information:

On March 14, 2018, the Honourable Amarjeet Sohi, Minister of Infrastructure and Communities, and the Honourable Bob Chiarelli, Ontario Minister of Infrastructure, announced the signing of a bilateral agreement that will provide more than \$11.8B through the Investing in Canada Plan over the next decade in federal funding dedicated to infrastructure projects.

This Plan includes Public Transit Infrastructure Fund Phase II with investments in public transit in Hamilton of \$511.0M with funding support from Canada of \$204.4M, Ontario of \$168.6M and City of Hamilton of \$138.0M. The News Release is attached as Appendix "A" to Report FCS18048 and the Backgrounder is attached as Appendix "B" to Report FCS18048.

This news follows information previously released on March 22, 2017 in the Federal 2017 Budget with a second phase of federal investments for the rehabilitation, repair and modernization of existing infrastructure. One key element of the plan is \$33B in infrastructure funding to be delivered through bilateral agreements currently being negotiated between the Federal government and each of the provinces and territories.

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**SUBJECT: Public Transit Infrastructure Fund Phase Two (PTIF II) (FCS18048)  
(City Wide) – Page 2 of 4**

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This Federal investment includes four funding streams to be delivered nationally over the next decade (2018 to 2028):

- \$20.1B for public transit – Ontario’s allocation is \$8.3B (41%)
- \$9.2B for green infrastructure – Ontario to receive \$2.8B (30%)
- \$1.3B for community, culture and recreation infrastructure – Ontario to get \$407M (31%)
- \$2.4B for rural and northern communities – Ontario to receive \$250M (10%)

Under the integrated bilateral agreements, Canada will invest up to:

- 40% of municipal\* and not-for-profit projects;
- 50% of provincial\* projects;
- 75% of territorial and Indigenous partners' projects;
- 25% of for-profit private sector projects (except in the Community, Culture and Recreation Stream, where for-profit private sector projects are not eligible).

*\* For public transit, Canada will provide up to 50% for rehabilitation projects and up to 40% for new public transit construction and expansion projects.*

Provinces will have to cost-share on municipal projects at a minimum of 33.33% of eligible costs. Municipalities will be required to contribute at least 27% of total project costs.

**Public Transit Infrastructure Fund Phase Two (PTIF II)**

PTIF II will provide funding to address the construction, expansion and improvement of public transit infrastructure and support active transportation projects that integrate "first-mile, last-mile" connectivity with a public transit system. Public transit investments are to enhance mobility options and strengthen communities. In order to focus long-term public transit investments on new construction and expansion, a cap for investment that can be directed to rehabilitation projects is set at 15% nationally. This national cap will allow for regional variation.

Projects must meet one of the following outcomes in order to be eligible for funding:

- Improved capacity of public transit infrastructure
- Improved quality and safety of existing and future transit systems
- Improved access to a public transit system

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**SUBJECT: Public Transit Infrastructure Fund Phase Two (PTIF II) (FCS18048)  
(City Wide) – Page 3 of 4**

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The provincial and territorial allocation is determined by a formula based on ridership (70%) and population (30%). This blended formula balances demands on existing systems, while providing support for expected population growth. Within each jurisdiction, funding will be further allocated to existing public transit systems based solely on their respective ridership, with some flexibility possible to address regional requirements.

The PTIF II allocation for Ontario is \$8,340,401,116 over the next 10 years. As Table 1 demonstrates, approximately 20% of the Federal commitment of \$20.1B will occur over the next four years (2018-2022) with the remainder in the final six years of the program.

**Table 1**  
**National Allocation of PTIF II**  
(millions of dollars)

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	Total
\$950	851	977	1,150	2,003	2,227	2,551	3,068	3,150	3,200	\$20,127
5%	4%	5%	6%	10%	11%	13%	15%	15%	16%	

The bilateral agreement, as announced on March 14, 2018, will provide more than \$11.8B in federal funding dedicated to infrastructure projects with a total value of over \$31B.

The Public Transit stream will provide provinces, territories and municipalities with funding to address the new construction, expansion and improvement and rehabilitation of public transit infrastructure.

Table 2 provides an overview of the maximum transit allocations for Hamilton over the next decade for a total transit investment of nearly \$511M.

**Table 2**  
**PTIF II Maximum Allocation in Hamilton over Next 10 Years**

Federal Allocation	Provincial Allocation*	Hamilton Contribution	Total
\$204,382,601	\$168,615,646	\$137,958,256	\$510,956,503

\* Provincial allocation is assumed based on a 33% cost share with the Government of Canada

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**SUBJECT: Public Transit Infrastructure Fund Phase Two (PTIF II) (FCS18048)  
(City Wide) – Page 4 of 4**

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Assuming the allocation of funding to Hamilton is cash flowed as per Table 1, Hamilton expects to receive nearly \$75M in senior government transit funding over the next four years (2018-2022). With Hamilton's required 27% funding share of \$27M, nearly \$102M will be invested in local transit by 2022.

Staff will report back on funding terms and conditions once the PTIF Transfer Payment Agreement (TPA) is provided to the City.

**Appendices and Schedules Attached**

Appendix "A" – News Release March 16, 2018 - New public transit funding available for transformative infrastructure projects in Hamilton

Appendix "B" – Backgrounder March 16, 2018 - New public transit funding available for transformative infrastructure projects in Hamilton

JS/dt

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# New public transit funding available for transformative infrastructure projects in Hamilton

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## News release

From: [Infrastructure Canada](#)

*Supporting new projects that build prosperous communities and transition to a clean growth economy*

**Hamilton, Ontario, March 16, 2018**—The governments of Canada and Ontario are working together to make long-term infrastructure investments to create economic growth, build inclusive communities and support a low carbon, green economy—leading to a higher quality of life for all Canadians.

On March 14, 2018, the Honourable Amarjeet Sohi, Minister of Infrastructure and Communities, and the Honourable Bob Chiarelli, Ontario Minister of Infrastructure, announced the signing of a bilateral agreement that will provide more than \$11.8 billion through the *Investing in Canada* plan over the next decade in federal funding dedicated to infrastructure projects. The projects supported through this agreement will have a total value of over \$31 billion, including \$10 billion committed by the Ontario government. These projects will be cost-shared with the Ontario government, municipalities and other partners.

Through this agreement, the governments of Canada and Ontario will be making unprecedented investments in public transit, green infrastructure, and recreational and cultural infrastructure.

Under the public transit stream, Hamilton will receive more than \$204 million in federal funding and over \$168 million in provincial funding to build new urban transit networks and service extensions that will transform the way residents live, move and work.

These investments will make a positive difference in communities, resulting in the better movement of people and goods, providing clean air and water, and enabling smarter and more efficient cities.

## Quotes

“Efficient and sustainable public transit plays an important role in keeping our communities among the best places in the world to live, while contributing to clean economic growth. By working with our provincial and municipal partners, we will deliver real support through transformative projects that will benefit the residents of Hamilton.”

*Filomena Tassi, Member of Parliament for Hamilton West–Ancaster–Dundas*

“These federal-provincial investments support the growth and maintenance of our Hamilton region. I am pleased that Ontario has committed \$10 billion to infrastructure in partnership with the federal government. Hamilton Region will receive \$510 million (Federal \$204M; Provincial \$168M; Municipal \$137M) in public transit funding that will help keep our community moving. These partnerships ensure strong healthy communities, complete with modern transit and infrastructure, green business practices and quality community culture sport and tourism. Working together makes our Hamilton area stronger and more successful. Congratulations!”

*Ted McMeekin, Member of Provincial Parliament for Ancaster–Dundas  
–Flamborough–Westdale*

## Quick facts

- Under the *Investing in Canada* plan, the Government of Canada is investing more than \$180 billion over 12 years in public transit projects, green infrastructure, social infrastructure, trade and transportation routes, and Canada’s rural and northern communities.
- Under the first phase of the plan, Infrastructure Canada has approved nearly 3,500 projects across Canada worth a combined investment of more than \$8.4 billion, including more than 2,000 projects worth more than \$1.6 billion in Ontario.

- As part of the Plan, Infrastructure Canada will deliver \$33 billion over the next decade through new bilateral agreements with provinces and territories under four funding streams:
  - \$20.1 billion for public transit;
  - \$9.2 billion for green infrastructure;
  - \$1.3 billion for community, cultural and recreational infrastructure; and
  - \$2.4 billion for wide-ranging infrastructure needs in rural and northern communities
- The funding provided under the bilateral agreement also includes up to \$660 million committed to the Scarborough Subway Extension project in Toronto, which will be reviewed when formally submitted by the province. The Government of Ontario will continue to work closely with the City of Toronto on this project. The province has already committed to supporting it through previously approved public transit investment funding.
- This funding provided to Ontario under the bilateral agreement includes almost \$1.5 billion that has been committed through the *Investing in Canada* plan for the Ottawa Light Rail Transit Stage 2 project and the Port Lands Flood Protection and Enabling Infrastructure project in Toronto.
- Ontario is investing \$190 billion in public infrastructure over 13 years, starting in 2014–15. This represents the largest infrastructure investment in the province's history to support priority projects such as hospitals, schools, roads, bridges and public transit.

## Related products

- [Backgrounder: New public transit funding available for transformative infrastructure projects in Hamilton](#)

## Associated links

- [Government of Canada's \\$180-billion+ Investing in Canada plan](#)
- [Investing in Canada plan project map](#)
- [Federal infrastructure investments in Ontario](#)

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### **Date modified:**

2018-03-19

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# Backgrounder: New public transit funding available for transformative infrastructure projects in Hamilton

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## Backgrounder

From: [Infrastructure Canada](#)

*Supporting new projects that build prosperous communities and transition to a clean growth economy*

Under the \$180 billion *Investing in Canada* infrastructure plan, the Government of Canada is signing new bilateral agreements with all provinces and territories. The new bilateral agreements will see more than \$33 billion in federal investment towards significant infrastructure projects across the country. The objective of these investments will be to transform the way Canadians live, move and work in four priority areas:

- Public transit;
- Green infrastructure;
- Community, culture, and recreation infrastructure; and
- Rural and northern communities.

Ontario will match new federal funding in part through its provincial infrastructure plan, which is investing more than \$190 billion over 13 years.

### Public Transit Stream

The Public Transit stream will provide provinces, territories and municipalities with funding to address the new construction, expansion, and improvement and rehabilitation of public transit infrastructure.

The table below provides an overview of the maximum transit allocations for the following municipalities:

Municipality	Federal Allocation	Provincial Allocation
--------------	--------------------	-----------------------

<b>Municipality</b>	<b>Federal Allocation</b>	<b>Provincial Allocation</b>
Brantford	\$14,371,517	\$11,856,502
Hamilton	\$204,382,601	\$168,615,646

*\* Provincial allocation is assumed based on a 33% cost share with the Government of Canada*

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2018-03-16



2018 AREA RATED LEVIES SUMMARY

AREA RATED SERVICES - URBAN / RURAL

SERVICE	BUDGET	URBAN / RURAL			
		URBAN		RURAL	
Fire	\$ 91,309,490	\$ 84,452,091	92.5%	\$ 6,857,399	7.5%
Recreation	\$ 35,353,320	\$ 32,733,471	92.6%	\$ 2,619,849	7.4%
Sidewalk	\$ 2,603,670	\$ 2,545,899	97.8%	\$ 57,771	2.2%
Street Lighting	\$ 6,346,590	\$ 5,948,223	93.7%	\$ 398,367	6.3%

AREA RATED SERVICES - FORMER AREA MUNICIPALITY

SERVICE	BUDGET	FORMER AREA MUNICIPALITY											
		HAMILTON		ANCASTER		DUNDAS		FLAMBOROUGH		GLANBROOK		STONEY CREEK	
Transit	\$ 50,636,350	\$ 41,873,326	82.7%	\$ 2,195,026	4.3%	\$ 1,040,919	2.1%	\$ 1,207,826	2.4%	\$ 1,103,351	2.2%	\$ 3,215,904	6.4%
Sidewalk Snow Removal	\$ 157,000	\$ -	0.0%	\$ 157,000	100.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Parkland Purchases	\$ 2,284,960	\$ 1,227,862	53.7%	\$ 340,013	14.9%	\$ 469,732	20.6%	\$ -	0.0%	\$ -	0.0%	\$ 247,353	10.8%
Special Infrastructure Re-investment	\$ 13,428,870	\$ 13,428,870	100.0%		0.0%		0.0%		0.0%		0.0%		0.0%

**TOTAL AREA RATED LEVIES \$ 202,120,250**

**2018 Total Residential Tax Impacts - URBAN**

(inclusive of reassessment, area rating, tax policies and education taxes)

**BY WARD**

	2018 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2018 Impact (%)	Total Average 2018 Impact (\$)
Ward 1	\$ 359,400	100%	2.0%	2.0%	4.0%	\$ 173
Ward 2	\$ 240,500	100%	1.9%	2.0%	3.9%	\$ 114
Ward 3	\$ 187,900	100%	1.9%	2.0%	3.9%	\$ 89
Ward 4	\$ 197,800	100%	0.6%	2.0%	2.6%	\$ 62
Ward 5	\$ 271,300	100%	0.0%	2.0%	2.0%	\$ 66
Ward 6	\$ 283,800	100%	0.1%	2.0%	2.1%	\$ 74
Ward 7	\$ 318,200	100%	0.5%	2.0%	2.5%	\$ 97
Ward 8	\$ 337,600	100%	0.3%	2.0%	2.2%	\$ 93
Ward 9	\$ 349,600	99%	0.1%	1.3%	1.3%	\$ 54
Ward 10	\$ 341,500	100%	0.1%	1.3%	1.4%	\$ 54
Ward 11 - SC	\$ 418,600	9%	0.3%	1.3%	1.5%	\$ 74
Ward 11 - GL	\$ 365,700	36%	-0.3%	1.2%	0.9%	\$ 37
Ward 12	\$ 497,000	94%	-0.1%	1.5%	1.4%	\$ 81
Ward 13	\$ 418,200	95%	-0.3%	1.0%	0.8%	\$ 37
Ward 14 - AN	\$ 433,700	N/A	N/A	N/A	N/A	N/A
Ward 14 - FL	\$ 456,900	N/A	N/A	N/A	N/A	N/A
Ward 15	\$ 464,000	68%	-0.1%	1.8%	1.7%	\$ 88
<b>City-Wide Average</b>	<b>\$ 337,100</b>		<b>0.3%</b>	<b>1.6%</b>	<b>1.9%</b>	<b>\$ 76</b>

Urban: 87% of all residential properties

Note – anomalies in totals due to rounding

**2018 Total Residential Tax Impacts - RURAL**

(inclusive of reassessment, area rating, tax policies and education taxes)

**BY WARD**

	2018 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2018 Impact (%)	Total Average 2018 Impact (\$)
Ward 1	\$ 359,400	N/A	N/A	N/A	N/A	N/A
Ward 2	\$ 240,500	N/A	N/A	N/A	N/A	N/A
Ward 3	\$ 187,900	N/A	N/A	N/A	N/A	N/A
Ward 4	\$ 197,800	N/A	N/A	N/A	N/A	N/A
Ward 5	\$ 271,300	N/A	N/A	N/A	N/A	N/A
Ward 6	\$ 283,800	N/A	N/A	N/A	N/A	N/A
Ward 7	\$ 318,200	N/A	N/A	N/A	N/A	N/A
Ward 8	\$ 337,600	N/A	N/A	N/A	N/A	N/A
Ward 9	\$ 349,600	0%	0.1%	0.8%	0.9%	\$ 34
Ward 10	\$ 341,500	N/A	N/A	N/A	N/A	N/A
Ward 11 - SC	\$ 418,600	14%	0.3%	0.8%	1.1%	\$ 49
Ward 11 - GL	\$ 365,700	53%	-0.3%	0.8%	0.5%	\$ 21
Ward 12	\$ 497,000	4%	-0.1%	1.1%	1.0%	\$ 53
Ward 13	\$ 418,200	3%	-0.2%	0.5%	0.3%	\$ 15
Ward 14 - AN	\$ 433,700	99%	-1.2%	1.1%	-0.1%	\$ (6)
Ward 14 - FL	\$ 456,900	100%	-0.4%	0.8%	0.4%	\$ 19
Ward 15	\$ 464,000	32%	-0.1%	0.8%	0.8%	\$ 37
<b>City-Wide Average</b>	<b>\$ 337,100</b>		<b>0.3%</b>	<b>1.6%</b>	<b>1.9%</b>	<b>\$ 76</b>

Rural: 9% of all residential properties

Note – anomalies in totals due to rounding

**2018 Total Residential Tax Impacts - URBAN WITH RURAL FIRE**

(inclusive of reassessment, area rating, tax policies and education taxes)

**BY WARD**

	2018 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2018 Impact (%)	Total Average 2018 Impact (\$)
Ward 1	\$ 359,400	N/A	N/A	N/A	N/A	N/A
Ward 2	\$ 240,500	N/A	N/A	N/A	N/A	N/A
Ward 3	\$ 187,900	N/A	N/A	N/A	N/A	N/A
Ward 4	\$ 197,800	N/A	N/A	N/A	N/A	N/A
Ward 5	\$ 271,300	N/A	N/A	N/A	N/A	N/A
Ward 6	\$ 283,800	N/A	N/A	N/A	N/A	N/A
Ward 7	\$ 318,200	N/A	N/A	N/A	N/A	N/A
Ward 8	\$ 337,600	N/A	N/A	N/A	N/A	N/A
Ward 9	\$ 349,600	0%	0.1%	1.0%	1.1%	\$ 40
Ward 10	\$ 341,500	0%	0.1%	1.0%	1.1%	\$ 41
Ward 11 - SC	\$ 418,600	77%	0.3%	1.0%	1.3%	\$ 57
Ward 11 - GL	\$ 365,700	10%	-0.3%	0.9%	0.6%	\$ 24
Ward 12	\$ 497,000	0%	-0.1%	1.2%	1.1%	\$ 62
Ward 13	\$ 418,200	N/A	N/A	N/A	N/A	N/A
Ward 14 - AN	\$ 433,700	N/A	N/A	N/A	N/A	N/A
Ward 14 - FL	\$ 456,900	N/A	N/A	N/A	N/A	N/A
Ward 15	\$ 464,000	N/A	N/A	N/A	N/A	N/A
<b>City-Wide Average</b>	<b>\$ 337,100</b>		<b>0.3%</b>	<b>1.6%</b>	<b>1.9%</b>	<b>\$ 76</b>

Urban with Rural Fire: 3% of all residential properties

Note – anomalies in totals due to rounding

**2018 Total Residential Tax Impacts - RURAL WITH URBAN FIRE**

(inclusive of reassessment, area rating, tax policies and education taxes)

**BY WARD**

	2018 Average Residential Assessment	% of Ward Residential Properties	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2018 Impact (%)	Total Average 2018 Impact (\$)
Ward 1	\$ 359,400	N/A	N/A	N/A	N/A	N/A
Ward 2	\$ 240,500	N/A	N/A	N/A	N/A	N/A
Ward 3	\$ 187,900	N/A	N/A	N/A	N/A	N/A
Ward 4	\$ 197,800	N/A	N/A	N/A	N/A	N/A
Ward 5	\$ 271,300	N/A	N/A	N/A	N/A	N/A
Ward 6	\$ 283,800	N/A	N/A	N/A	N/A	N/A
Ward 7	\$ 318,200	N/A	N/A	N/A	N/A	N/A
Ward 8	\$ 337,600	N/A	N/A	N/A	N/A	N/A
Ward 9	\$ 349,600	N/A	N/A	N/A	N/A	N/A
Ward 10	\$ 341,500	N/A	N/A	N/A	N/A	N/A
Ward 11 - SC	\$ 418,600	N/A	N/A	N/A	N/A	N/A
Ward 11 - GL	\$ 365,700	1%	-0.3%	1.1%	0.8%	\$ 34
Ward 12	\$ 497,000	2%	-0.1%	1.4%	1.3%	\$ 71
Ward 13	\$ 418,200	2%	-0.2%	0.9%	0.6%	\$ 30
Ward 14 - AN	\$ 433,700	1%	-1.2%	1.4%	0.1%	\$ 7
Ward 14 - FL	\$ 456,900	N/A	N/A	N/A	N/A	N/A
Ward 15	\$ 464,000	N/A	N/A	N/A	N/A	N/A

<b>City-Wide Average</b>	<b>\$ 337,100</b>	<b>0.3%</b>	<b>1.6%</b>	<b>1.9%</b>	<b>\$ 76</b>
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Urban with Rural Fire: 1% of all residential properties

Note – anomalies in totals due to rounding



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
*Financial Planning, Administration and Policy Division*

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	April 18, 2018
<b>SUBJECT/REPORT NO:</b>	2018 Tax Policies and Area Rating (FCS18035) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Gloria Rojas (905) 546-2424 Ext. 6247
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager Finance and Corporate Services
<b>SIGNATURE:</b>	

### RECOMMENDATIONS

- (a) That the following optional property classes be continued for the 2018 taxation year:
- Parking Lot and Vacant Land;
  - Large Industrial;
- (b) That, based on the 2018 final approved Tax Operating Budget, the following final tax ratios be established for the 2018 taxation year:
- Residential 1.0000
  - Multi-Residential 2.6342
  - New Multi-Residential 1.0000
  - Commercial (Residual) 1.9800
  - Parking Lot and Vacant Land 1.9800
  - Industrial (Residual) 3.4115
  - Large Industrial 4.0004
  - Pipeline 1.7947
  - Farm 0.1767
  - Managed Forest 0.2500
  - Landfills 2.9696

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 2 of 14**

- (c) That the following tax reductions be established for the 2018 taxation year:
- Excess Land Subclass (Residual Commercial) 30%
  - Excess land Subclass (Residual Industrial) 30%
  - Vacant land Subclass (Residual Industrial) 30%
  - Excess land Subclass (Large Industrial) 30%
  - Farmland awaiting development (1<sup>st</sup> Subclass) 25%
  - Farmland awaiting development (2<sup>nd</sup> Subclass) 0%
- (d) That the existing Seniors' (65+) Tax Rebate Program be continued, with the following criteria updated for the 2018 taxation year:
- (i) Income threshold (150% of GIS couple): \$35,300 (\$34,800 in 2017);
  - (ii) Assessment cap (120% of City-wide average): \$437,000 (\$409,200 in 2017);
  - (iii) Rebate (increased by the Consumer Price Index - CPI): \$190 (\$186 in 2017);
- (e) That the Deferral of Tax Increases for Seniors and Low Income Persons with Disabilities Program (Deferral of Tax Increases Program) be continued, with the following criteria updated for the 2018 taxation year:
- (i) Income threshold (150% of GIS couple): \$35,300;
- (f) That the criteria for Full Tax Deferral Program for Seniors and Low Income Persons with Disabilities Program (Full Tax Deferral Program) be updated for the 2018 taxation year:
- (i) Income threshold (150% of GIS couple): \$35,300;
  - (ii) Interest on deferred amounts: 5% compounded annually;
- (g) That the annual income threshold for the Full Tax Deferral Program be set on January of the taxation year based on the latest data released by the Government of Canada for Old Age Security payment amounts;
- (h) That the existing 40% Tax Rebate for eligible charities and similar organizations be continued for the 2018 taxation year;
- (i) That the existing 100% Tax Rebate for veterans' clubhouses and legion halls be continued for the 2018 taxation year;
- (j) That the Multi-Residential property class be excluded from capping protection for 2018 and any subsequent years;

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 3 of 14**

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- (k) That, for the 2018 taxation year, the tax capping percentage for any assessment-related tax increases in the Commercial and Industrial property classes be set at the maximum allowable of 10% of previous year's Current Value Assessment (CVA) level taxes;
- (l) That, for the 2018 taxation year, any capped property in the Commercial and Industrial property classes that is within \$500 of its Current Value Assessment (CVA) taxes in 2018, be moved directly to its full Current Value Assessment (CVA) taxes;
- (m) That capping protection will be limited only to reassessment related changes prior to 2017;
- (n) That the four-year capping phase-out program be initiated for the Commercial property class;
- (o) That vacant lands that are currently subject to capping protection be excluded from the phase-out eligibility criteria where all properties must be within 50% of CVA level taxes;
- (p) That, for the 2018 taxation year, the minimum percentage of Current Value Assessment (CVA) taxes for properties eligible for the new construction / new to class treatment be set at 100% of Current Value Assessment (CVA) taxes;
- (q) That, for the 2018 taxation year, any property in the Commercial and Industrial property class which paid full Current Value Assessment (CVA) taxes in 2017 no longer be eligible for capping protection in 2018 and future years;
- (r) That, for the 2018 taxation year, all properties eligible for a tax reduction under the existing capping program receive the full decrease, funded from the approved capping program operating budget;
- (s) That, for the 2018 taxation year, the Area Rated Levies be approved as identified in Appendix "A" to Report FCS18035 "2018 Tax Policies and Area Rating";
- (t) That the City Solicitor and Corporate Counsel be authorized and directed to prepare all necessary by-laws, for Council approval, for the purposes of establishing the tax policies and tax rates for the 2018 taxation year.

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 4 of 14****EXECUTIVE SUMMARY**

This Report highlights the tax policy tools and options for the 2018 taxation year. For the most part, this Report is consistent with the tax policies recommended in previous years and also includes the following changes approved by Council during 2017 and early 2018:

- Reduction to Vacant Unit Rebate program
- Full Tax Deferral Program for Seniors and Low Income Persons with Disabilities
- Updates to the Deferral of Tax Increases Program for Seniors and Low Income Persons with Disabilities and the Seniors (65+) Tax Rebate Program

The “Analysis / Rationale for Recommendations” section of this Report provides Table 3 of all the tax policies being recommended.

As identified in Table 1, the combined impacts of the final approved 2018 Operating Budget, inclusive of the final growth and reassessment impacts, the tax policies recommended in this Report and the provincially prescribed education rates, have resulted in achieving a **total City-wide residential tax impact of 1.9% or \$76** for the average residential property valued at \$337,100. This is equivalent to a \$23 increase for every \$100,000 of assessment.

**Table 1****2018 Residential Tax Impact**

	2017	2018	\$	%
<b>Municipal Taxes</b>	\$ 3,384	\$ 3,455	\$ 71	2.1%
Education Taxes	\$ 568	\$ 573	\$ 5	1.0%
<b>Total Taxes</b>	\$ 3,952	\$ 4,029	\$ 76	1.9%

- Anomalies due to rounding
- Updated for growth and reassessment

The tax impact identified above is simply a **City-wide average**. Area rating and reassessment results in varying impacts throughout the City and on a property-by-property basis. Average residential tax impacts by Ward and area rating scenario are included in Appendix “B” to Report FCS18035 “2018 Tax Policies and Area Rating”.

Table 2 identifies the 2018 total **average** tax impacts by property class.

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 5 of 14****Table 2**

	Municipal			Total Incl. Education
	Reassessment + Tax Policies	Budget	Total	
<b>Residential</b>	0.3%	1.8%	2.1%	<b>1.9%</b>
<b>Multi-Residential</b>	-1.5%	0.0%	-1.5%	<b>-1.4%</b>
<b>Commercial</b>	0.7%	2.0%	2.7%	<b>1.8%</b>
<b>Industrial</b>	-2.5%	0.9%	-1.5%	<b>-1.1%</b>
<b>Farm</b>	4.2%	1.0%	5.2%	<b>5.2%</b>

Note: Anomalies due to rounding

As shown in Table 2, the average total tax impacts vary between property classes. This is as a result of varying average reassessment impacts, restrictions on the Multi-Residential and the Industrial property classes and the provincially prescribed education tax rates.

The reassessment impact for the 2018 taxation year is not as significant as in the previous year, in part, because valuation changes resulting in decreases are accounted for in the first year of the reassessment cycle while increases are phased-in during the four years of the cycle. In addition, the transition ratios introduced in 2017 provided some mitigation. Staff is not recommending transition ratios for the current taxation year.

The final tax impact also includes the effect of the Provincial legislation as it relates to the Multi-Residential property class, in which municipalities with a Multi-Residential tax ratio above 2.0 are not allowed to pass any reassessment related increases to the class and are also subject to a full levy restriction. In addition, the Industrial property class continues to be restricted and levy increases cannot be more than 50% of the increase passed onto the Residential property class. Overall, the tax impact varies significantly between classes.

The municipal tax impact for the Residential property class is 2.1% of which 0.3% is the result of reassessment and tax policies and 1.8% is the result of budgetary increases and levy restrictions. The total tax impact including education is 1.9%

The Multi-Residential property class as a whole, including properties in the Multi-Residential and New Multi-Residential property classes, is experiencing an average tax reduction of -1.5%. This is beyond the legislated requirement of 0% increase because this class is experiencing a reassessment-related benefit that cannot be passed onto the other classes and because the previously mentioned levy restriction.

The Commercial property class has a reassessment impact of 0.7% and a budget impact of 2.0%. However, a reduction of 6.5% in the education tax results in a final tax impact of 1.8%.

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## **SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 6 of 14**

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The Industrial property class is experiencing a tax reduction of -1.1% as a result of the lower property values in the current reassessment cycle, the levy restriction and a reduction on the education taxes. This impact is even lower than the one in 2017 which was set at -0.8%

The Farm property class is facing a reassessment-related tax impact of 4.2% due to a significant increase in the value of these properties not only in the City, but across the Province and a budgetary increase of 1.0%. The total impact for the Farm class is 5.2%. However, normally farm properties also have a residential component that is experiencing minimal tax impacts as they are located in the rural areas of the City (see “Residential Tax Impacts” section). The combined impact is, therefore, below the 5.2% shown only for the Farm property class and the actual tax impact in dollars is also not significant.

### ***Alternatives for Consideration – N/A***

### **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** Current and future tax policies impact the City financially in terms of revenue streams and their sources. The policies recommended in this Report have no budget impact since they have all been incorporated into the 2018 approved budget. The combined growth and reassessment impacts have been used to offset the 2018 budgetary pressures.

**Staffing:** N/A

**Legal:** N/A

### **HISTORICAL BACKGROUND**

Each year, staff brings forward tax policy options as part of the overall annual budget approval. The tax policies being recommended are consistent with the assumptions used when identifying tax impacts to Council during the 2018 budget process.

In 2011, significant changes were approved by Council to the method used for the area rating of specific services. Specifically, commencing in the 2011 taxation year, services such as Recreation, Fire, Sidewalks and Street Lighting are area rated based on an urban / rural model. Culture is no longer area rated and the area rating of Parkland Purchases, Sidewalk Snow Clearing (Ward 12 only) and Transit (urban area only) continues to be area rated by the former area municipality.

The final 2018 tax impacts identified in this Report incorporate the budget impact as well as tax policies, growth and reassessment impacts.

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 7 of 14****POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

This Report deals with a number of tax policy items.

**RELEVANT CONSULTATION**

Staff has consulted with Provincial staff to ensure that the recommended tax policies adhere to the Provincial legislation. Staff from the Taxation Division, which administers the rebate programs, has also been consulted.

**ANALYSIS AND RATIONALE FOR RECOMMENDATIONS****Table 3**

<b>Tax Policy Tool</b>	<b>Mandatory vs. Discretionary</b>	<b>Recommendation</b>
<b>Tax Ratios</b>	Mandatory  Discretionary	<ul style="list-style-type: none"> <li>Reduction of the Multi-Residential tax ratio to adhere to Provincial legislation that prevents municipalities to pass any reassessment and budgetary related increases onto this class</li> <li>Reduction of the Industrial tax ratio to adhere to the levy restriction and only pass on 50% (maximum allowable) of the Residential budgetary tax increase</li> <li>Commercial tax ratio to continue at the Provincial threshold (Discretionary)</li> </ul>
<b>Capping</b>	Mandatory program with discretionary criteria	<p>The Province continues to increase municipalities' options to move properties off of capping.</p> <ul style="list-style-type: none"> <li>Limit capping protection only to reassessment related changes prior to 2017</li> <li>Once all properties in the class are at CVA taxes, the class is not eligible for capping in future years</li> <li>Continue to set the maximum allowable capping criteria in an effort to limit the amount of capping</li> <li>Criteria: 10% of previous year's CVA level taxes and moving to CVA level taxes if within \$500 of CVA level taxes</li> <li>New: Phase-out option for the Commercial property class, excluding vacant lands from the eligibility criteria</li> <li>No changes in the following criteria: no capping if at full CVA taxes in 2017, full CVA taxes on new construction / new to class, no clawbacks</li> </ul>

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 8 of 14**

<b>Tax Policy Tool</b>	<b>Mandatory vs. Discretionary</b>	<b>Recommendation</b>
<b>Vacancy Rebates</b>	Mandatory with discretion on rebate %	<ul style="list-style-type: none"> <li>• Vacancy rebate of 15% to both Commercial and Industrial property classes for 2018 (reduced from 30%)</li> <li>• Program will expire in 2019 as approved by Council, June 2017 (Report FCS17021(a))</li> </ul>
<b>Optional Property Classes</b>	Discretionary	<ul style="list-style-type: none"> <li>• Maintain existing Parking Lot and (Commercial) Vacant Land and Large Industrial optional property classes</li> </ul>
<b>Reduction Programs</b>	Discretionary	<ul style="list-style-type: none"> <li>• Maintain current reduction programs for the vacant and excess land subclasses in the Industrial and Large Industrial property classes. Continue to review and monitor for potential reduction or elimination per updated options introduced by Province in 2017.</li> </ul>
<b>Seniors Tax Rebate Program</b>	Discretionary	<ul style="list-style-type: none"> <li>• Continue existing program – see below</li> <li>• 2018 updated rebate amount = \$190 (2017 amount of \$186 + CPI )</li> <li>• Increase assessment threshold to \$437,000 (120% of the updated City-wide average assessed value for a single family dwelling)</li> <li>• Increase income threshold to \$35,300 (150% of updated GIS couple)</li> </ul>
<b>Deferral of Tax Increases Program</b>	Mandatory	<ul style="list-style-type: none"> <li>• Maintain the program with the updated criteria approved by Council (Report FCS18005)</li> <li>• Update income threshold to \$35,300 (150% of updated GIS couple)</li> </ul>
<b>Full Tax Deferral Program</b>	Discretionary	<ul style="list-style-type: none"> <li>• 3-year pilot approved by Council (Report FCS18005) starting in 2018</li> <li>• Update income threshold to \$35,300 (150% of updated GIS couple)</li> <li>• Application fee: \$ 200+HST; interest at 5% per annum</li> </ul>
<b>Area Rating</b>	Discretionary	<ul style="list-style-type: none"> <li>• Area rating based on the Council approved (April, 2011) Urban / Rural model (FCS09087 / FCS09087(a) / FCS11042)</li> <li>• Appendix “A” to Report FCS18035 identifies the area rated levies for 2018</li> </ul>

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 9 of 14**

<b>Tax Policy Tool</b>	<b>Mandatory vs. Discretionary</b>	<b>Recommendation</b>
<b>Rebates to Charities and Similar Organizations</b>	Mandatory	<ul style="list-style-type: none"> <li>Continue with existing program</li> <li>40% rebate for charities</li> <li>100% rebate for accredited educational institutions</li> </ul>
<b>Veterans' / Legion Halls Rebate</b>	Discretionary	<ul style="list-style-type: none"> <li>Continue with existing 100% rebate</li> </ul>
<b>Heritage Tax Rebate</b>	Discretionary	<ul style="list-style-type: none"> <li>Not recommended, consistent with staff Report FCS10019 / PED10031 "Heritage Property Tax Rebate Program"</li> <li>The City already has financial incentive programs directed at heritage properties</li> </ul>

## Tax Ratios

With respect to tax ratios, the Table 4 identifies the recommended 2018 final tax ratios compared to the 2017 final approved tax ratios and the Provincial thresholds:

**Table 4**

	<b>2017 Final Tax Ratios</b>		<b>Recommended 2018 Final Tax Ratios</b>	<b>Provincial Threshold</b>	<b>Provincial Range of Fairness</b>
Residential	1.0000		1.0000		
Multi-Residential	2.6913		2.6342	2.7400	1.0 - 1.1
Commercial	1.9800		1.9800	1.9800	0.6 - 1.1
Industrial - Residual	3.4414		3.4115	2.6300	0.6 - 1.1
Industrial - Large	4.0355		4.0004	2.6300	0.6 - 1.1
Pipeline	1.7947		1.7947		
Landfills	2.9696		2.9696	3.1189	
Farm	0.1767		0.1767		

As shown in Table 4, the Multi-Residential tax ratio has been reduced from 2017 in order to comply with the Provincial legislation that prevents municipalities with tax ratios above 2.0 to pass any reassessment related increases and any budgetary increases onto the Multi-Residential property class.

The Industrial property class continues to be levy-restricted as the tax ratios are above the Provincial Thresholds and as a result, the 2018 tax ratio has also been reduced from the 2017 tax ratio.

Staff is recommending to maintain the 2017 tax ratios for all other property classes.

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 10 of 14**

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### Capping

The City has adopted the measures provided in 2016 and 2017 by the Province and significant progress has been made towards CVA taxes. For example, The Multi-Residential property class is no longer eligible for capping and the number of capped properties continues to be reduced every year. For 2018, the Commercial property class has become eligible for the phase-out program by virtue of having all properties within 50% of CVA level taxes, excluding vacant lands from the eligibility criteria. In the phase-out program, the cap for eligible properties is reduced by one-quarter in the first year, by one-third in the second year and by half in the third year. After three consecutive taxation years, every property in the class will be exempt from capping protection.

Staff will continue to monitor the progression towards CVA level taxes and will make the appropriate recommendations as needed.

### Vacancy Rebates

In 2017, the Province amended the legislation to provide municipalities with greater flexibility on the administration of the vacancy rebates program. Following approval by Council of Report FCS17021(a), “New Municipal Flexibility for Vacant Unit Rebates and Vacant / Excess Land Subclasses”, on June 7, 2017, the City will provide a 15% rebate for the 2018 taxation year and a 0% rebate in 2019.

### Reduction Programs for Vacant/Excess Land Subclasses

Similar to the Vacancy Rebates, the Province is providing municipalities with flexibility to modify their reductions programs. Staff is not recommending any changes to the City’s current program which provides for a 30% reduction for excess lands in the Commercial, Industrial and Large Industrial property classes, as well as 30% reduction for vacant lands in the Industrial property class. Staff will continue to review and monitor this subclass for potential reduction or elimination of the rebate.

### Seniors Tax Rebate Program

On January 17, 2018, City Council approved Report FCS18005, “Tax Assistance Programs for Seniors and Low Income Persons with Disabilities”, which included minor revisions to the eligibility criteria for this program. The updated criteria for the 2018 taxation year is included in recommendation (e) of Report FCS18035, “2018 Tax Policies and Area Rating”.

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 11 of 14****Tax Deferral Programs**

Report FCS18005, “Tax Assistance Programs for Seniors and Low Income Persons with Disabilities”, also included revisions to the Deferral of Tax Increases Program including the introduction of an income threshold consistent with the Seniors Tax Rebate Program and a cap on the deferred amount. Complete details of the criteria for the program can be found in Appendix “A” to Report FCS18005, “Tax Assistance Programs for Seniors and Low Income Persons with Disabilities”.

A new three-year pilot program to assist seniors and low income persons with disabilities by deferring the full amount of the taxes for the year until the property is sold was also approved by Council in January 2018. Eligibility criteria includes an income threshold consistent with the Seniors Tax Rebate Program and the Deferral of Tax Increases Program, annual interest on the deferred amounts and application and renewal fees. Complete details of the criteria for the program can be found in Appendix “B” to Report FCS18005, “Tax Assistance Programs for Seniors and Low Income Persons with Disabilities”.

Staff will report back in 2019 on the progress of the project and any changes that may be warranted.

**Tax Impacts**

The final average tax impacts, as identified in Appendix “B” to Report FCS18035, are the result of various factors:

- 2018 approved tax operating budget (Report FCS18026)
- Approved area rating methodology, whereby Fire, Recreation, Sidewalks and Street Lighting are area rated based on Urban / Rural, while Transit (urban area only), Sidewalk Snow Removal (Ward 12 urban only) and Parkland Purchase are area rated based on the former area municipality
- Provincially prescribed education tax rates
- Second year of the current reassessment cycle (2017-2020)
- Reassessment and levy restrictions on the Multi-Residential property class
- Levy restriction on the Industrial property class
- 2018 tax policies as recommended within this Report

Further details on the impacts by Ward are provided below. Although the Residential City-wide average total impact is 1.9%, due to the various factors identified above, the impacts will vary between former municipalities and Wards. While the reassessment accounts for most of the varying impacts experienced in different parts of the City, budget pressures and enhancements in area-rated services may also have a greater impact on some Wards than others (for example, transit enhancements).

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 12 of 14**

Note that 87% of the Residential properties are identified as fully Urban and 9% as fully Rural. Only 4% of the Residential properties fall within “Urban with Rural Fire” or “Rural with Urban Fire”.

**Residential Tax Impacts (Reassessment + Tax Policies + Budget + Education)**

Tables 5 and 6 break down the 1.9% **City-wide** average total Residential tax impact into the average Urban and Rural Residential tax impacts by Ward. Further detail on the impacts by Ward and by all four tax groupings (Urban, Rural, Urban with Rural Fire and Rural with Urban Fire) are provided in Appendix “B” to Report FCS18035, “2018 Tax Policies and Area Rating”.

Average impacts between Wards have significant variation for both urban and rural areas as a consequence of the reassessment and because some services (Transit, parkland purchases) continue to be area rated. Total impacts vary from 0.8% (Ward 13) to 4.0% (Ward 1) in the urban areas of the City and from -0.1% (Ward 14 Ancaster) to 1.1% (Ward 11 Stoney Creek) in the rural areas of the City. Appendix “A” to Report FCS18035, “2018 Tax Policies and Area Rating”, identifies the area-rated levies.

**Table 5****2018 Total Residential Tax Impacts - URBAN**

(inclusive of reassessment, area rating, tax policies and education taxes)

**BY WARD**

	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2018 Impact (%)	Total Average 2018 Impact (\$)
Ward 1	2.0%	2.0%	4.0%	\$ 173
Ward 2	1.9%	2.0%	3.9%	\$ 114
Ward 3	1.9%	2.0%	3.9%	\$ 89
Ward 4	0.6%	2.0%	2.6%	\$ 62
Ward 5	0.0%	2.0%	2.0%	\$ 66
Ward 6	0.1%	2.0%	2.1%	\$ 74
Ward 7	0.5%	2.0%	2.5%	\$ 97
Ward 8	0.3%	2.0%	2.2%	\$ 93
Ward 9	0.1%	1.3%	1.3%	\$ 54
Ward 10	0.1%	1.3%	1.4%	\$ 54
Ward 11 - SC	0.3%	1.3%	1.5%	\$ 74
Ward 11 - GL	-0.3%	1.2%	0.9%	\$ 37
Ward 12	-0.1%	1.5%	1.4%	\$ 81
Ward 13	-0.3%	1.0%	0.8%	\$ 37
Ward 14 - AN	N/A	N/A	N/A	N/A
Ward 14 - FL	N/A	N/A	N/A	N/A
Ward 15	-0.1%	1.8%	1.7%	\$ 88
<b>City-Wide Average</b>	<b>0.3%</b>	<b>1.6%</b>	<b>1.9%</b>	<b>\$ 76</b>

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 13 of 14**

Similar to what was observed in 2017, Wards 1, 2 and 3 have a total tax impact higher than the City's average mostly due to reassessment impacts of 2.0% and 1.9% which are above the City's average reassessment impact of 0.3%.

Overall, the Wards located in the former municipality of Hamilton (Wards 1-8) have a higher than average budget-related tax increase due to increases in area-rated services: transit service was increased in Route 42 (Mohawk East) and the financing of Part 2 of Eastmount Park School was added in 2018.

Although Ward 15 is slightly below the City's average tax impact, a lower reassessment impact was offset by a higher than average budget impact due to the expansion of Route 18 (Waterdown) and because the phase-in of previous transit expansions is now complete.

The total impact of 1.4% in Ward 12 includes the additional financing for the Ancaster Arts Centre approved during the 2018 budget process.

In contrast, Ward 13 had a tax impact of 0.8% which is significantly lower than the average due to reassessment related benefits and savings resulting from the full repayment of the lands located on 397 King Street West.

**Table 6****2018 Total Residential Tax Impacts - RURAL**

(inclusive of reassessment, area rating, tax policies and education taxes)

**BY WARD**

	Reassessment & Tax Policies	Budget (inclusive of Area Rating)	Total Average 2018 Impact (%)	Total Average 2018 Impact (\$)
Ward 1	N/A	N/A	N/A	N/A
Ward 2	N/A	N/A	N/A	N/A
Ward 3	N/A	N/A	N/A	N/A
Ward 4	N/A	N/A	N/A	N/A
Ward 5	N/A	N/A	N/A	N/A
Ward 6	N/A	N/A	N/A	N/A
Ward 7	N/A	N/A	N/A	N/A
Ward 8	N/A	N/A	N/A	N/A
Ward 9	0.1%	0.8%	0.9%	\$ 34
Ward 10	N/A	N/A	N/A	N/A
Ward 11 - SC	0.3%	0.8%	1.1%	\$ 49
Ward 11 - GL	-0.3%	0.8%	0.5%	\$ 21
Ward 12	-0.1%	1.1%	1.0%	\$ 53
Ward 13	-0.2%	0.5%	0.3%	\$ 15
Ward 14 - AN	-1.2%	1.1%	-0.1%	\$ (6)
Ward 14 - FL	-0.4%	0.8%	0.4%	\$ 19
Ward 15	-0.1%	0.8%	0.8%	\$ 37
<b>City-Wide Average</b>	<b>0.3%</b>	<b>1.6%</b>	<b>1.9%</b>	<b>\$ 76</b>

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**SUBJECT: 2018 Tax Policies and Area Rating (FCS18035) (City Wide) – Page 14 of 14**

The rural areas of the City are experiencing lower than average tax impacts which is mostly the result of assessment values in the rural areas of the City increasing at a lower rate than in the rest of the City. Only wards 9 and 11 (Stoney Creek) are experiencing reassessment related increases albeit, not significant.

The most significant budget increases are in Wards 12 and Ward 14 (Ancaster) due to the financing of the Ancaster Arts Centre as previously explained.

**ALTERNATIVES FOR CONSIDERATION**

Alternatives are discussed in the Analysis and Rationale section of this Report.

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN****Economic Prosperity and Growth**

*Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.*

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” – 2018 Area Rated Levies Summary

Appendix “B” – 2018 Total Residential Tax Impacts

GR/dt

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# CITY OF HAMILTON MOTION

General Issues Committee: April 18, 2018

**MOVED BY MAYOR F. EISENBERGER.....**

**SECONDED BY COUNCILLOR .....**

### **Commercial Retail Outlets**

WHEREAS, the City of Hamilton has approved new Commercial Mixed Use Zoning, pending the outcome of appeals, that contemplates residential and mixed use intensification within commercial uses, such as malls and plazas;

WHEREAS, new Secondary Plans, including the Centennial Neighbourhoods Secondary Plan, contemplate residential uses within Mixed Use Medium and Mixed Use High Density designations;

WHEREAS, the current review of the Growth Related Integrated Development Strategy (GRIDS) process will be identifying mixed use and higher residential intensification targets in certain corridors (e.g. major transit station areas);

WHEREAS, the City of Hamilton, through its Urban Official Plan and Zoning By-law 05-200, generally supports mixed use intensification of many commercial sites within existing urban areas;

WHEREAS, complete communities and sustainable growth recognize the importance in commercial mixed use areas; and,

WHEREAS, commercial models are changing and many precedents now exist wherein new residential, commercial and office uses have been sensitively integrated onto commercial sites;

**THEREFORE BE IT RESOLVED:**

That Economic Development staff be directed to consult with operators and owners of commercial properties, with respect to the new, expanded potential for residential and mixed use intensification within many existing commercial areas, such as shopping malls; to explore their interest in mixed use development; and, to identify if any further barriers remain to supporting this form of development.

# CITY OF HAMILTON

## NOTICE OF MOTION

General Issues Committee: April 18, 2018

**MOVED BY COUNCILLOR T. JACKSON.....**

### **Funding to Backfill an Administrative Staff Position in Ward 6**

WHEREAS, the 2018 Ward budgets do not reflect funding required to backfill for administrative staff collecting Short Term Disability benefits; and,

WHEREAS, Ward 6 is being faced with the requirement to backfill an administrative staff position for a temporary, but extended length of time during 2018.

THEREFORE BE IT RESOLVED:

That funding from the General Legislative Budget (300100), to an upset limit of \$13,000, be approved to backfill the administrative staff position in Ward 6 during a temporary, short-term Disability absence in 2018.