



City of Hamilton

TRANSIT AREA RATING REVIEW SUB-COMMITTEE

Meeting #: 19-001
Date: December 11, 2019
Time: Immediately following Council
Location: Council Chambers, Hamilton City Hall
71 Main Street West

Alicia Davenport, Legislative Coordinator (905) 546-2424 ext. 2729

	Pages
1. APPOINTMENT OF SUB-COMMITTEE CHAIR AND VICE-CHAIR FOR 2019/2020	
2. APPROVAL OF AGENDA (Added Items, if applicable, will be noted with *)	
3. DECLARATIONS OF INTEREST	
4. APPROVAL OF MINUTES OF PREVIOUS MEETING	
5. COMMUNICATIONS	
5.1 Correspondence from Lakewood Beach Community Council respecting TransCab Area Rating Recommendation: Be received.	3
6. DELEGATION REQUESTS	
7. CONSENT ITEMS	
7.1 Transit Service Levels, Demand and Growth Opportunities by Ward (PW19026) (City Wide) (referred from the General Issues Committee on February 28, 2019)	5
8. PUBLIC HEARINGS / DELEGATIONS	

9. STAFF PRESENTATIONS

9.1 Transit Area Rating Methodology Review (FCS19094) (City Wide)
(Outstanding Business List Item)

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10. DISCUSSION ITEMS

11. MOTIONS

12. NOTICES OF MOTION

13. GENERAL INFORMATION / OTHER BUSINESS

14. PRIVATE AND CONFIDENTIAL

15. ADJOURNMENT

5.1

From: Lakewood Beach Community Council <LakewoodBeachCC@hotmail.com>
Sent: October 15, 2019 9:56 AM
To: Eisenberger, Fred <Fred.Eisenberger@hamilton.ca>; DL - Council Only <dlcouncilonly@hamilton.ca>
Cc: Pilon, Janet <Janet.Pilon@hamilton.ca>; Zegarac, Mike <Mike.Zegarac@hamilton.ca>; Dalle Vedove, Debbie <Debbie.DalleVedove@hamilton.ca>
Subject: Re: TransCab Area Rating Request

Good Morning Mayor Fred,

As we head into another round of budget discussions, we wanted to remind you (and Council) that we have not received a reply to a matter we had hoped would have been addressed last year at this time.

Please see correspondence below for a refresher. Thank you.

Lakewood Beach Community Council

From: Lakewood Beach Community Council <LakewoodBeachCC@hotmail.com>
Sent: September 19, 2018 7:54 AM
To: Eisenberger, Fred <Fred.Eisenberger@hamilton.ca>; DL - Council Only <dlcouncilonly@hamilton.ca>
Cc: Pilon, Janet <Janet.Pilon@hamilton.ca>; Zegarac, Mike <Mike.Zegarac@hamilton.ca>; Dalle Vedove, Debbie <Debbie.DalleVedove@hamilton.ca>
Subject: Re: TransCab Area Rating Request

Good Morning Mayor Fred,

Other than your email back in June (which we appreciate), we haven't received any further responses.

This is an issue that resonates with the residents and business owners in Ward 10, so we are hopeful to receive some feedback prior to October 4th.

Thank you,

Viv / Anna / Nancy
Lakewood Beach Community Council

From: Lakewood Beach Community Council [<mailto:LakewoodBeachCC@hotmail.com>]
Sent: Monday, June 25, 2018 12:20 PM
To: DL - Council Only

Correspondence from Lakewood Beach Community Council respecting TransCab Area Rating
Page 2 of 2

Cc: Pilon, Janet

Subject: Fw: TransCab Area Rating Request - Draft

Dear Honourable Mayor and Members of Council,

For far too long, those of us that live or own properties within the TransCab Boundary lines of Stoney Creek have not been taxed in keeping with the Area Rating principles Council has established. **Our estimate is that we are being 'overtaxed' by over \$1 million per year.** We are respectfully requesting that you refer this issue to the Public Works Committee for discussion.

One of the main principles of Special Area Taxation is 'you pay for what you get'. We get TransCab. TransCab has an operating cost of @ \$400,000 based on ridership data in Stoney Creek / Fruitland / Winona. We estimate the businesses and citizens living in SC TransCab boundary are levied well over \$1.5 million per year.

While we appreciate Council hasn't wanted to deal with Area Rating on a large scale, in the interim, we are requesting a discussion on what appears to be an oversight back in 2010 - possibly amending our policy to fix this glaring inequity.

Had we seen any measurable Transit changes since 2012 (other than expanding the boundary into Ward 5 at the expense of Ward 9, 10 and lower 11 ratepayer), we might have continued to be patient and wait out a full Area Rating review. In light of a recent observation though, this is not in the best interests of our members; nor those in our community at large.

Transit was the only core service that a SC residential property assessed at \$341,500, is paying more for in 2018 than they did in 2017. Other core services such as roads, waste management, police, fire, etc are all lower in 2018 vs 2017 at that same assessed value.

Our Transit \$ Value Levies have increased 168% since 2010 in comparison to inner city (w1-8) which have increased 154%, but we can't recall any hsr transit enhancements in lower Stoney Creek. If there were any, I'm sure you'll agree none to the same degree as other areas.

We're hopeful that you will refer this correspondence to a Standing Committee to address why apportioning those increases to areas which still only have TransCab (the manner in which service is delivered) is occurring.

Respectfully,


Viv / Anna / Nancy
Lakewood Beach Community Council

P.S. Janet, please add this to Council's June 27th Agenda. Thank you.



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INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 28, 2019
SUBJECT/REPORT NO:	Transit Service Levels, Demand and Growth Opportunities by Ward (PW19026) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jason VanderHeide, (905) 546-2424 Ext. 2390
SUBMITTED BY:	Debbie Dalle Vedove Director of Transit Public Works Department
SIGNATURE:	

COUNCIL DIRECTION

At the February 15, 2019 General Issues Committee (GIC) meeting, staff was directed to report back to the General Issues Committee (2019 Operating Budget Process) on transit service levels as follows:

- (a) That the General Manager of the Public Works Department be directed to report back to the General Issues Committee (2019 Operating Budget Process) with the transit volume forecast for Ancaster, Binbrook, Dundas, Waterdown and Stoney Creek, based on the significant growth projected in those communities;
- (b) That the General Manager of the Public Works Department be directed to report back to the General Issues Committee (2019 Operating Budget Process) on how transit service levels vary, based on volume and demand specifically in non-area rated service areas.

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

**SUBJECT: Transit Service Levels, Demand and Growth Opportunities by Ward
(PW19026) (City Wide) - Page 2 of 4**

INFORMATION

The current level of transit demand, shown below, is expressed as a percentage of the overall annual boardings that took place in 2018. The chart is broken down to show the combined total transit demand in the traditional lower and upper Hamilton wards as it compares to the wards in Ancaster, Glanbrook, Dundas, Waterdown, and Stoney Creek.

Distribution of Annual Boardings by Ward			
Upper and Lower Hamilton	Ward 1	29,887,103	94.50%
	Ward 2		
	Ward 3		
	Ward 4		
	Ward 5		
	Ward 6		
	Ward 7		
	Ward 8		
	Ward 14		
Stoney Creek	Ward 9	394,189	1.25%
	Ward 10	299,438	0.95%
Glanbrook	Ward 11	81,207	0.26%
Ancaster	Ward 12	476,898	1.50%
Dundas	Ward 13	462,959	1.46%
Flamborough	Ward 15	24,474	0.08%

The current level of service volume, shown below, is expressed as a percentage of the overall annual jurisdictional kilometres that formed the calculation for the 2018 transit service taxation. The chart is broken down to show the combined total volume of service in the traditional lower and upper Hamilton wards as it compares to the wards in Ancaster, Glanbrook, Dundas, Waterdown, and Stoney Creek.

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**SUBJECT: Transit Service Levels, Demand and Growth Opportunities by Ward
(PW19026) (City Wide) - Page 3 of 4**

2018 Taxes Based on Jurisdictional Kms		
Upper and Lower Hamilton	Ward 1	82.7%
	Ward 2	
	Ward 3	
	Ward 4	
	Ward 5	
	Ward 6	
	Ward 7	
	Ward 8	
Stoney Creek	Ward 9	6.3%
	Ward 10	
Glanbrook	Ward 11	2.2%
Ancaster	Ward 12	4.3%
Dundas	Ward 13	2.0%
Flamborough	Ward 15	2.5%

Based on information provided from Planning and Economic Development, the greatest opportunity for transit ridership growth can be derived from the information in the chart shown below. The chart identifies 2016 Census data for population by ward, the percentage of ward residents who reported commuting within Hamilton, and the percentage of ward residents who identified transit as their primary commuting mode choice. Additionally, the chart outlines the Growth Related Integrated Strategy (GRIDS) projections for population growth by area to 2031, and the projected employment growth by area between 2011 and 2031.

The greatest opportunity for transit ridership growth is in Wards 9, 10, 11, 12, 13 and 15. Currently Wards 11 and 15 have urban areas that do not have conventional transit services directly connected to the rest of Hamilton.

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**SUBJECT: Transit Service Levels, Demand and Growth Opportunities by Ward
(PW19026) (City Wide) - Page 4 of 4**

Commuting Mode, Population, and Employment by Ward - Ridership Growth Opportunities						
Ward		2016 Census Data			GRIDS Projections - Population and Jobs	
		% Commuting Within Hamilton	% Commuting by Transit	2016 Population (Urban and Rural)	Forecasted Increase in Population by 2031	Forecasted Increase in Jobs 2011 to 2031
Upper Hamilton	7	76.1%	13.3%	47,460	4,595	4,709
	6	73.5%	10.7%	38,650		
	8	72.6%	13.0%	34,485		
	14	71.5%	9.8%	34,230		
Lower Hamilton	2	71.0%	24.7%	33,600	24,448	40,352
	3	70.7%	21.5%	41,205		
	4	70.7%	14.1%	38,595		
	1	68.7%	15.3%	29,850		
	5	68.4%	10.6%	41,855		
Glanbrook	11	67.5%	1.8%	24,415	33,679	3,741
Upper Stoney Creek	9	67.0%	4.9%	28,760	10,721	1,418
Ancaster	12	64.5%	3.4%	42,560	388	975
Dundas	13	60.4%	5.1%	35,365	2,156	944
Lower Stoney Creek	10	58.9%	4.6%	37,215	10,981	6,558
Flamborough	15	36.6%	3.8%	27,675	10,305	3,011

APPENDICES AND SCHEDULES ATTACHED

None

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INFORMATION REPORT

TO:	Chair and Members Transit Area Rating Review Sub-Committee
COMMITTEE DATE:	December 11, 2019
SUBJECT/REPORT NO:	Transit Area Rating Methodology Review (FCS19094) (City Wide) Outstanding Business List Item
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Gloria Rojas (905) 546-2424 Ext. 6247
SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

City Council, at its meeting of March 27, 2019, approved the following Motion:

26. A System-Wide Approach to Public Transit (Item 7.1)

- (c) That staff be directed to report back to the Transit Area Rating Review Sub-Committee with an area rating analysis for transit for the 2020 Operating budget process, with respect to a public transit system that supports a system-wide approach, with that report to include enhanced service levels that align with the overall City Transit Strategy; and,
- (d) That staff be directed to review the possibility of the area rating net benefit to Wards 1 to 8 being used for public transit city-wide and report to the Transit Area Rating Review Sub-Committee.

INFORMATION

The current transit service area rating formula has been in place since 2001 and is based on an urban / rural transit model recognizing that properties outside of the transit service area (rural) should not be levied for the service. The methodology also accounts for the difference in service levels in the former area municipalities by allocating the levy based on transit service mileage within the service area.

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**SUBJECT: Transit Area Rating Methodology Review (FCS19094) (City Wide) –
Page 2 of 2**

In response to Council's direction and following approval of Report FCS19058 "Transit Area Rating Review Sub-Committee Terms of Reference" by Council on June 19, 2019, staff has prepared a presentation for Committee outlining the history and current methodology of transit area rating, including alternatives to the existing model. The presentation also includes potential changes to the transit service as a result of the Re-envision of HSR and a timeline for the implementation of the Sub-Committee recommendations.

APPENDICES AND SCHEDULES ATTACHED

N/A

GR/dt



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AREA RATING – TRANSIT

TRANSIT AREA RATING SUBCOMMITTEE

Direction

At the March 27, 2019 meeting, City Council approved the following Motion:

A System-Wide Approach to Public Transit (Item 7.1)

(c) That staff be directed to report back to the Transit Area Rating Review Sub-Committee with an area rating analysis for transit for the 2020 Operating budget process, with respect to a public transit system that supports a system-wide approach, with that report to include enhanced service levels that align with the overall City Transit Strategy; and,

(d) That staff be directed to review the possibility of the area rating net benefit to Wards 1 to 8 being used for public transit city-wide and report to the Transit Area Rating Review Sub-Committee.

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SYSTEM-WIDE APPROACH TO PUBLIC TRANSIT



10 YEAR TRANSIT STRATEGY RECAP

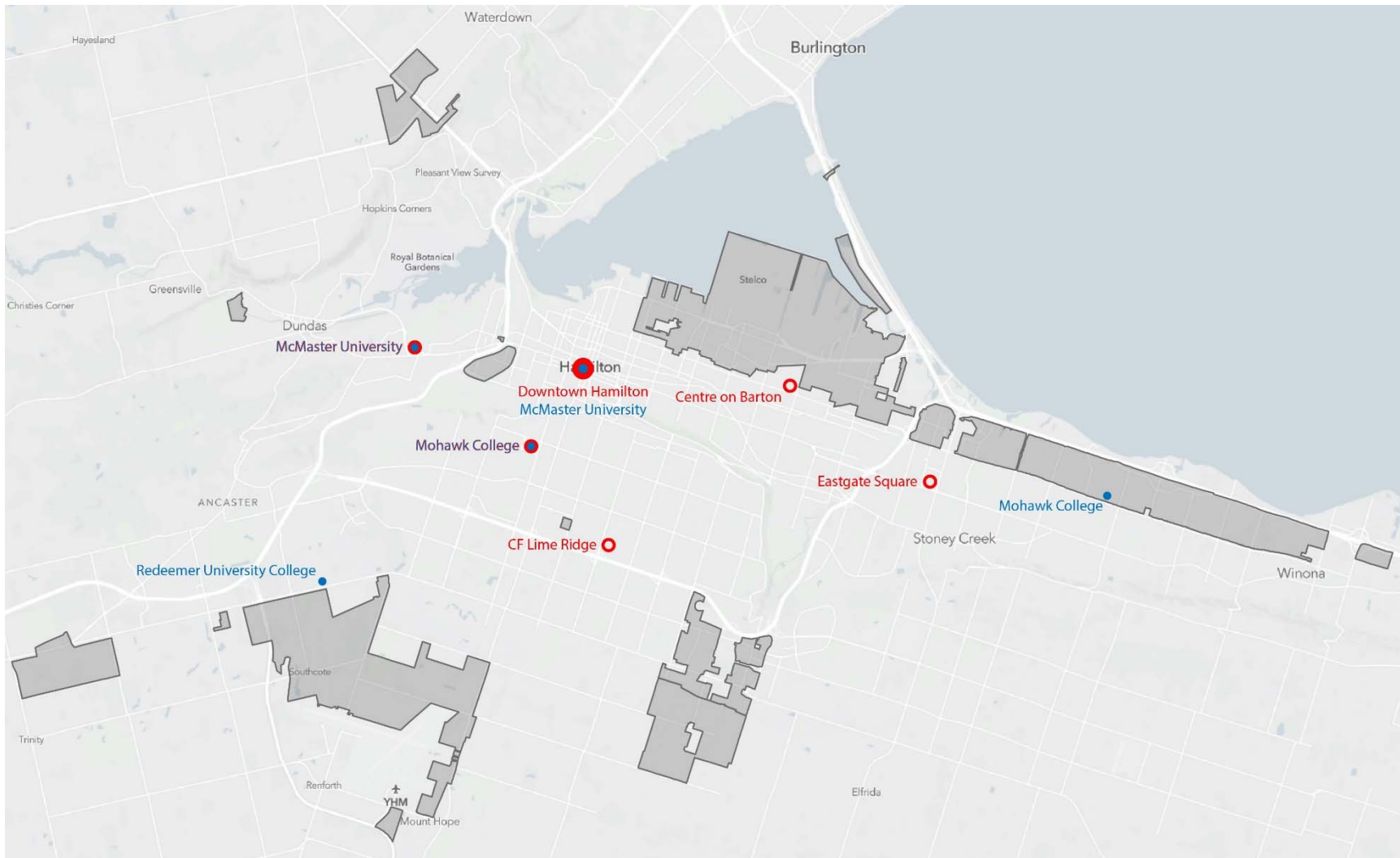
Plan entered the 'growth' phase in Sept 2018

2014	YR1	YR2	2017	YR3	YR4	YR5	YR6	YR7	YR8	YR9	YR10	10 Year Total	
	2015	2016		2018	2019	2020	2021	2022	2023	2024	2025		
	Deficiencies			Standards									
					Growth								
					Modal Split								
SERVICE													
Hours (000's)	814	16	34	Pause for PTIF	34	39	46	49	49	49	53	53	422
Annual Operating (000's)	\$88,000	\$2,000	\$4,000		\$4,000	\$4,500	\$5,500	\$6,000	\$6,000	\$6,000	\$6,500	\$6,500	\$51,000
Full Time Equivalent	644	16	34		26	30	35	38	38	38	41	41	337
Fleet	221	14	11		5	11	13	14	14	14	15	15	126
Fares	\$2.00	\$0.15	\$0.15		\$0.10	\$0.10	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05

10 YEAR TRANSIT STRATEGY: BLAST ASSUMPTIONS



EXISTING TRANSIT ACTIVITY CENTERS



EXISTING TRANSIT ACTIVITY CENTERS

Employment Growth Areas linked to BLAST.

- Stoney Creek Business Center
- Ancaster Business Park
- Airport Employment Growth District
- Red Hill Business Park
- Waterdown Commercial Centre

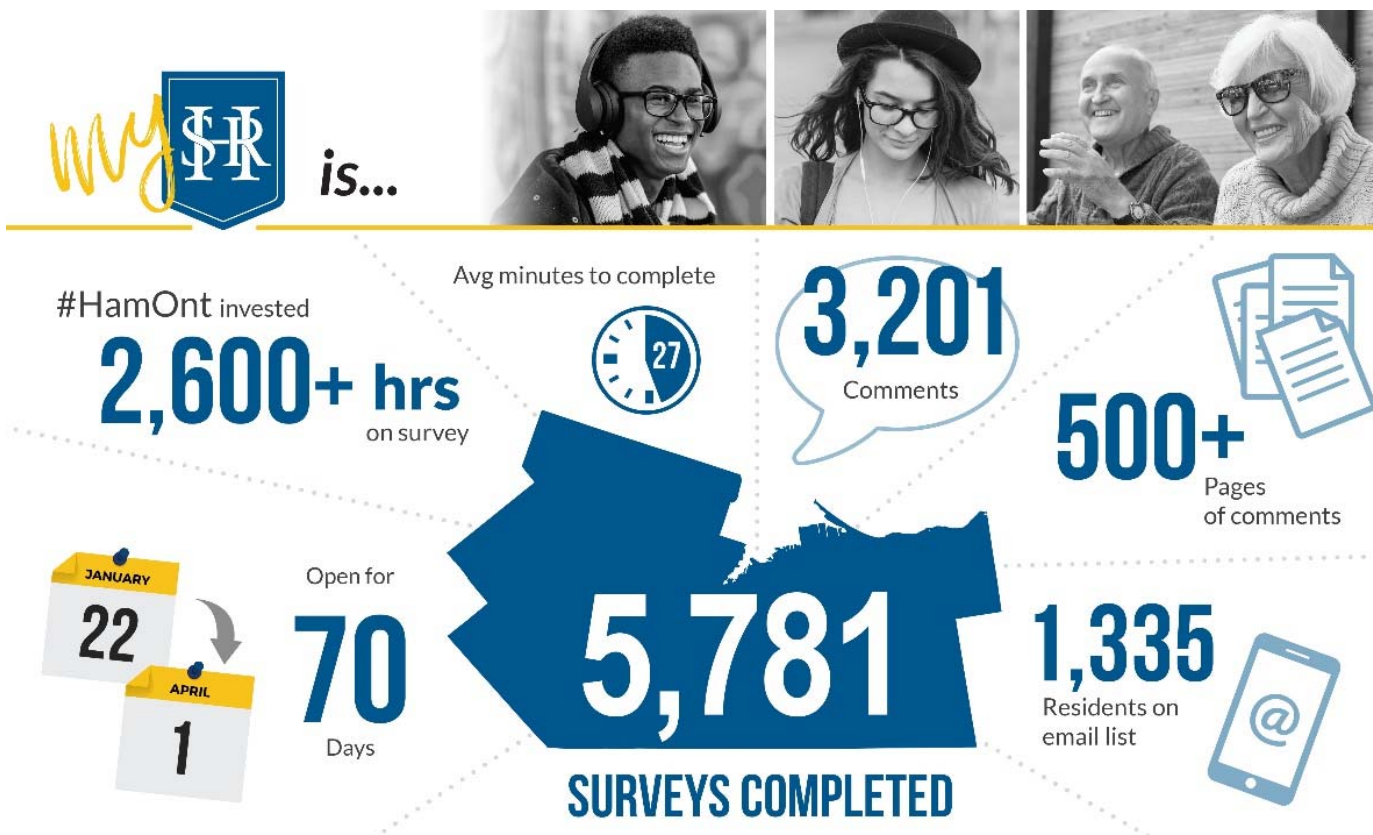
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*needs to grow
with me*



SURVEY RESPONSE RATE

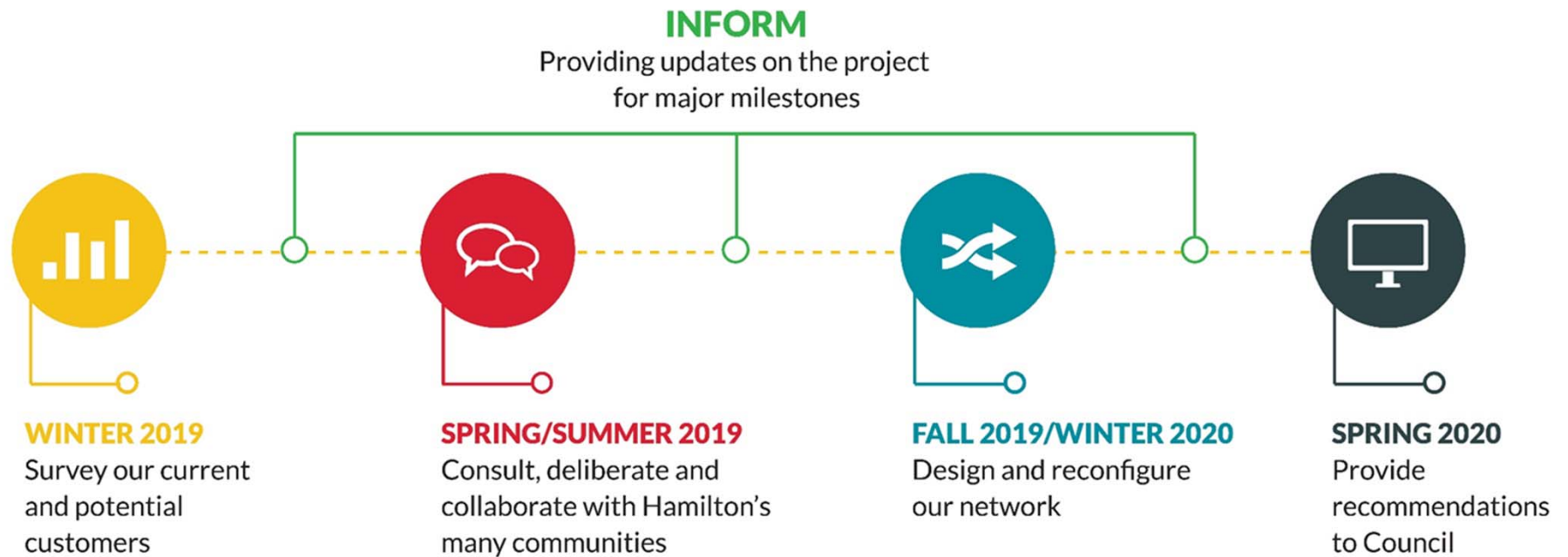


Transit

The dominant driver of customer satisfaction and drawing new customers that build transit ridership is;

FREQUENT RELIABLE SERVICE

(RE)ENVISION PROJECT





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AREA RATING



Area Rating - Definition

- Area rating is intended to account for either significant differentials in service levels or costs of providing services between different parts of the City
- If a service is not provided in an specific area of the City, property owners in that area will not be taxed for that service
- The result of area rating is that tax rates vary depending on the area of the City and the level of service offered by the City

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Legal Matters

- The Municipal Act allows municipalities to area rate “special services” which are defined as “a service or activity of a municipality that is
 - a) not being provided or undertaken generally throughout the municipality, or
 - b) being provided or undertaken at different levels or in a different manner in different parts of the municipality”
- The Municipal Act prescribes “Health programs and services” as the only service that cannot be identified as a special service.

Background

- Prior to amalgamation, the former Region of Hamilton-Wentworth area rated the following services:
 - Transit
 - Wentworth Library (SC, GL, AN, FL only)
 - Waste Management
 - Storm Drainage (Hamilton only)

Background

- Over a number of years, Council led an intensive review and consultation process to look at area rating options:
 - Area Rating Subcommittee
 - In 2009, staff submitted recommendation to move to urban/rural area rates
 - Citizens' Forum

Principles

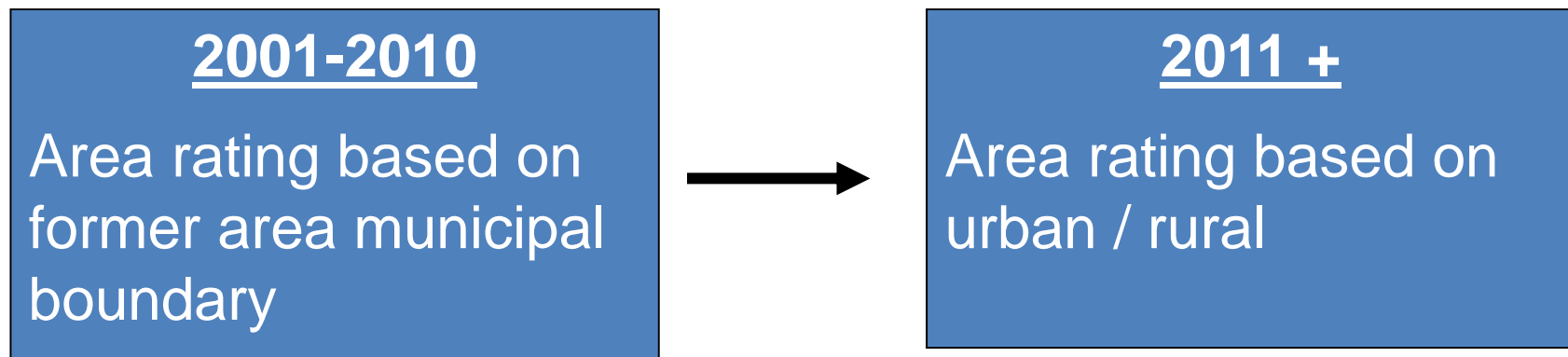
- The basic approach to the review of area rating reflects the following two underlying principles:
 - 1) Revenue Neutral Overall – assumes the same tax levy regardless of the area rating option. Area rating does not generate additional taxes for the City as a whole.
 - 2) Service Delivery Drives Taxes – how a service is delivered can impact how it is appropriately taxed, not vice-versa. None of the area rating options presented required change in service delivery.

Principles

- Additional general principles include:
 - Accounts for key/significant differences in service levels and costs – not based on a user pay principle
 - Where appropriate, identifies fairly distinct differences in service levels and costs between urban/rural – not all properties within each boundary will have exactly the same access or utility to the service
 - Evolutionary process - growth may lead to changes in urban/rural boundaries over time

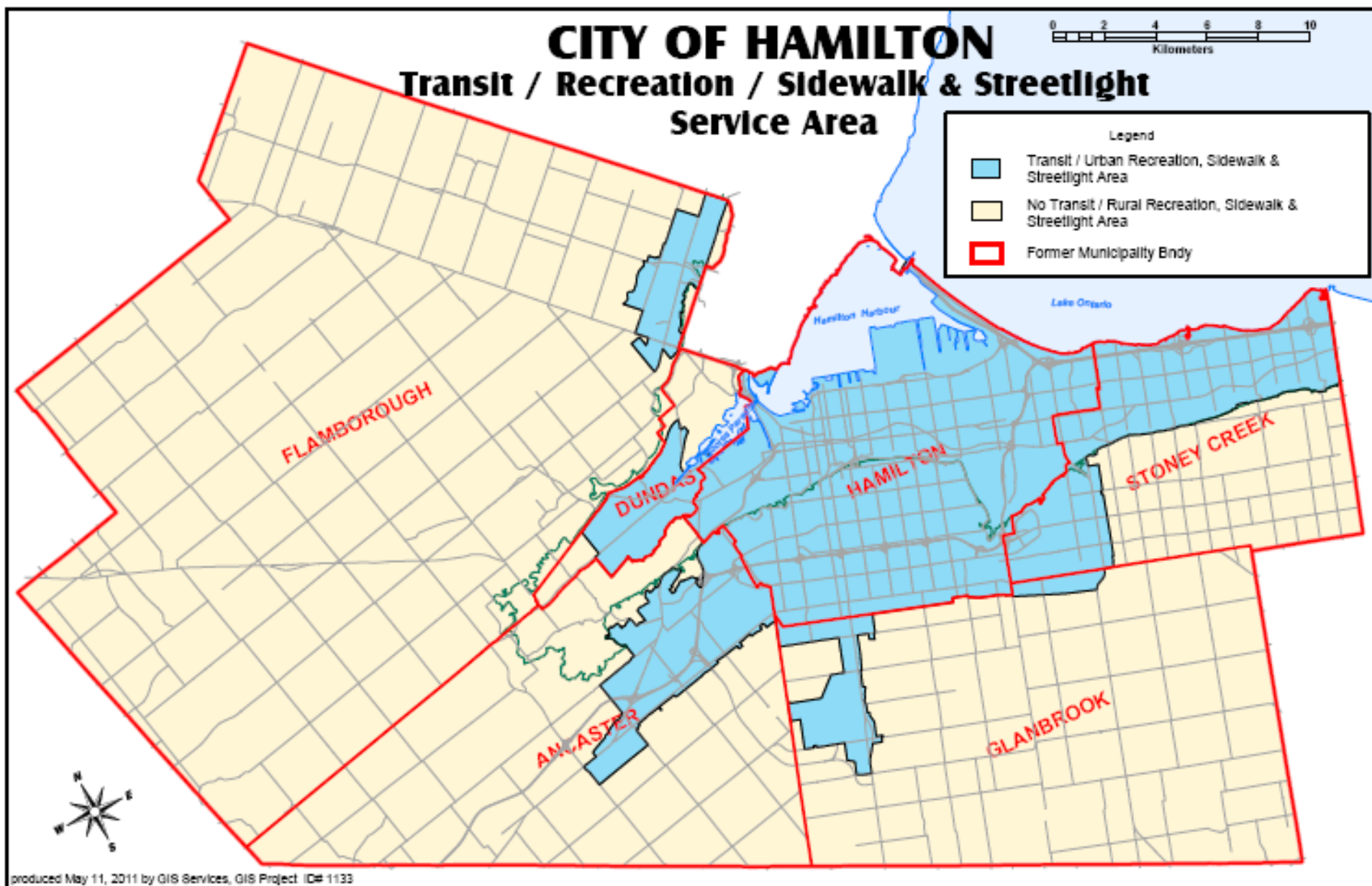
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Changes to Area Rating



2011 - Present

- In 2011, the City implemented an urban and rural model that aligns to the transit service area
- Properties within the transit service area are considered urban, while properties outside the transit service area are considered rural





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TRANSIT AREA RATING



Methodology

- Based on an urban/rural transit model to align with the Transit boundary
- Properties outside the Transit boundary do not pay for Transit
- Continue to be based on former area municipality's share of total transit service mileage
- The total levy for transit area rating excludes the budgets for DARTS Contract and Taxi Scrip and includes the capital financing portion allocated to Transit

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City-wide and Municipal Average Transit rates & impacts

Municipality	Ancaster	Dundas	Flamborough	Glanbrook	Stoney Creek	Hamilton
Transit Splits	4.54%	2.05%	2.50%	2.28%	6.35%	82.28%
Transit Levy	2,671,929	1,209,484	1,473,887	1,341,363	3,741,625	48,474,652
Assessment (Urban)	7,611,110,539	3,814,808,770	3,842,287,138	2,532,568,882	10,520,087,181	37,117,963,120
Transit Rate	0.0351%	0.0317%	0.0384%	0.0530%	0.0356%	0.1306%
2019 Average (1)	\$ 126	\$ 114	\$ 138	\$ 190	\$ 128	\$ 468
2019 Average (2)	\$ 184	\$ 140	\$ 189	\$ 201	\$ 137	\$ 389

Average (1): Based on city-wide average assessment of \$358,600

Average (2) Based on average assessment by former municipality

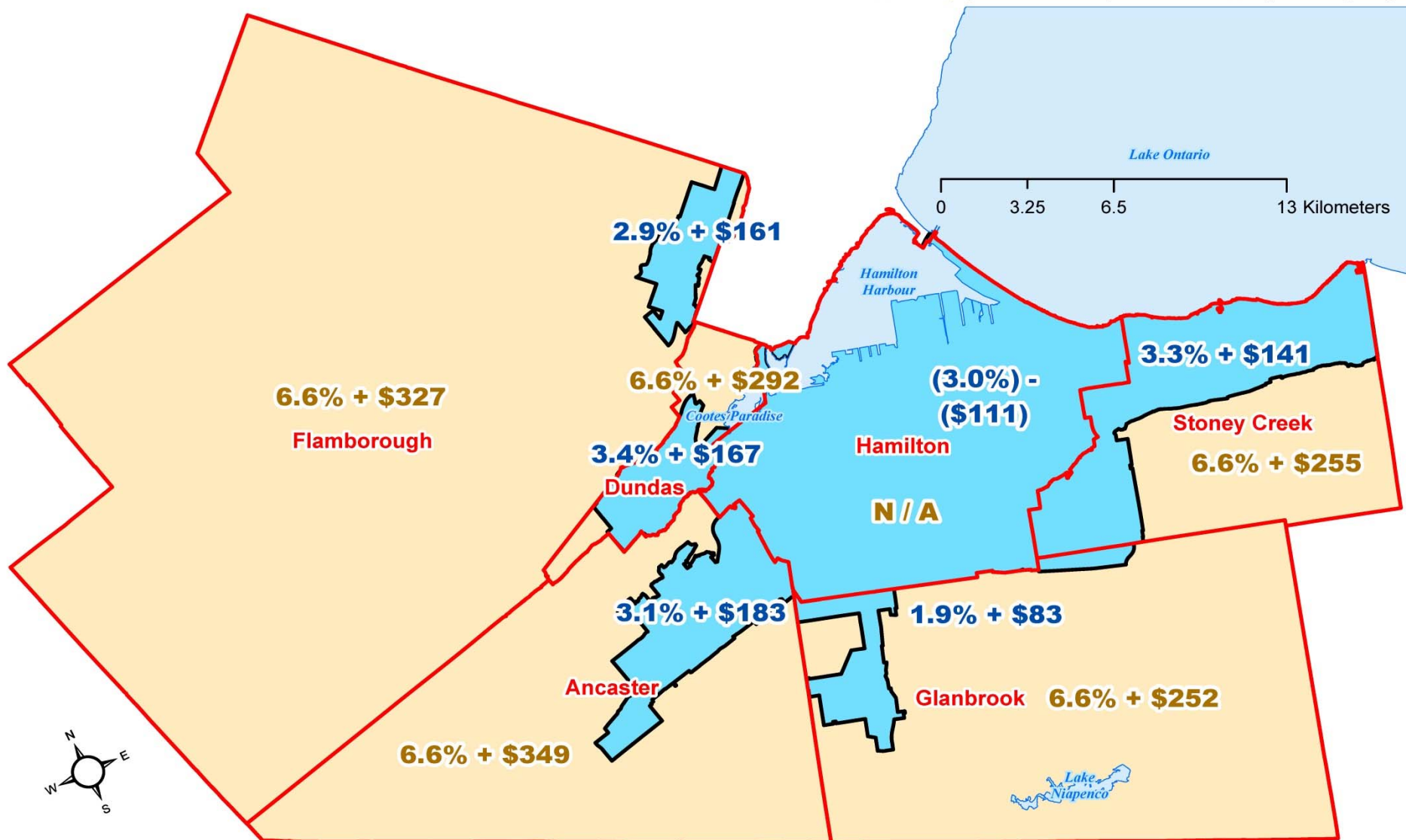
Potential Alternatives

Option 1: Move Transit Budget to the General Levy

- Only one property tax rate regardless of the level of service received
- Rural areas of the City, which are currently exempt of the transit levy, would be charged the same rate as the urban areas.

Transit on General Levy Average Residential Impacts

- Former Municipality Boundary
- Transit / Urban Area
- No Transit / Rural Area
- % +/- \$\$\$** Urban Tax Impact % and \$\$\$ by Municipality
- % +/- \$\$\$** Rural Tax Impact % and \$\$\$ by Municipality



Potential Alternatives

Option 2: Mixed approach

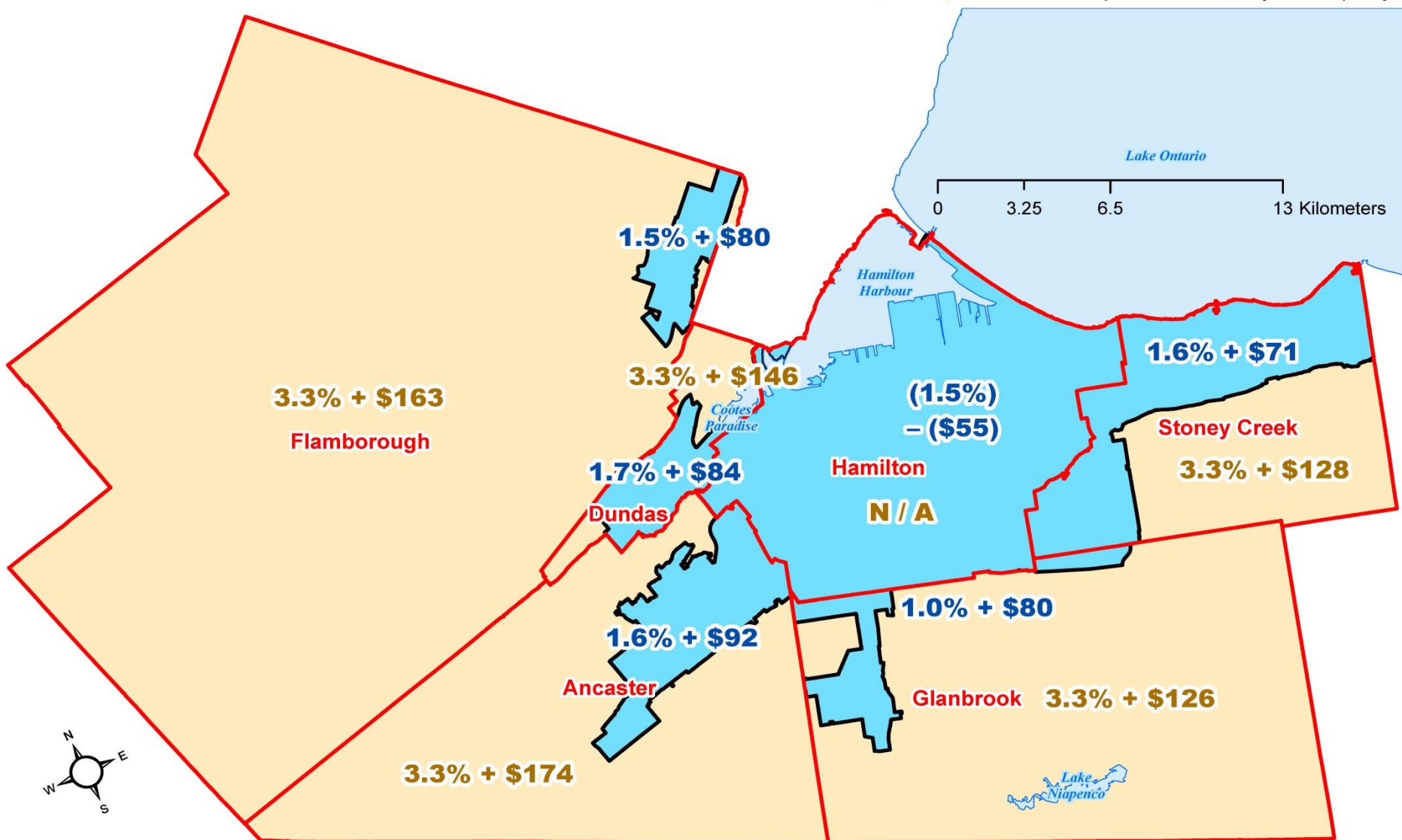
- 50% of the Transit budget would be in the General levy
- The additional 50% would continue to be area-rated area on kms (Status Quo)
- Rural areas will start to pay for Transit

50% of Transit on General Levy

Average Residential Impacts



% +/- \$\$ Urban Tax Impact % and \$\$ by Municipality
% +/- \$\$ Rural Tax Impact % and \$\$ by Municipality



Potential Alternatives

Option 3: Urban / Rural Transit Budget Allocation Model

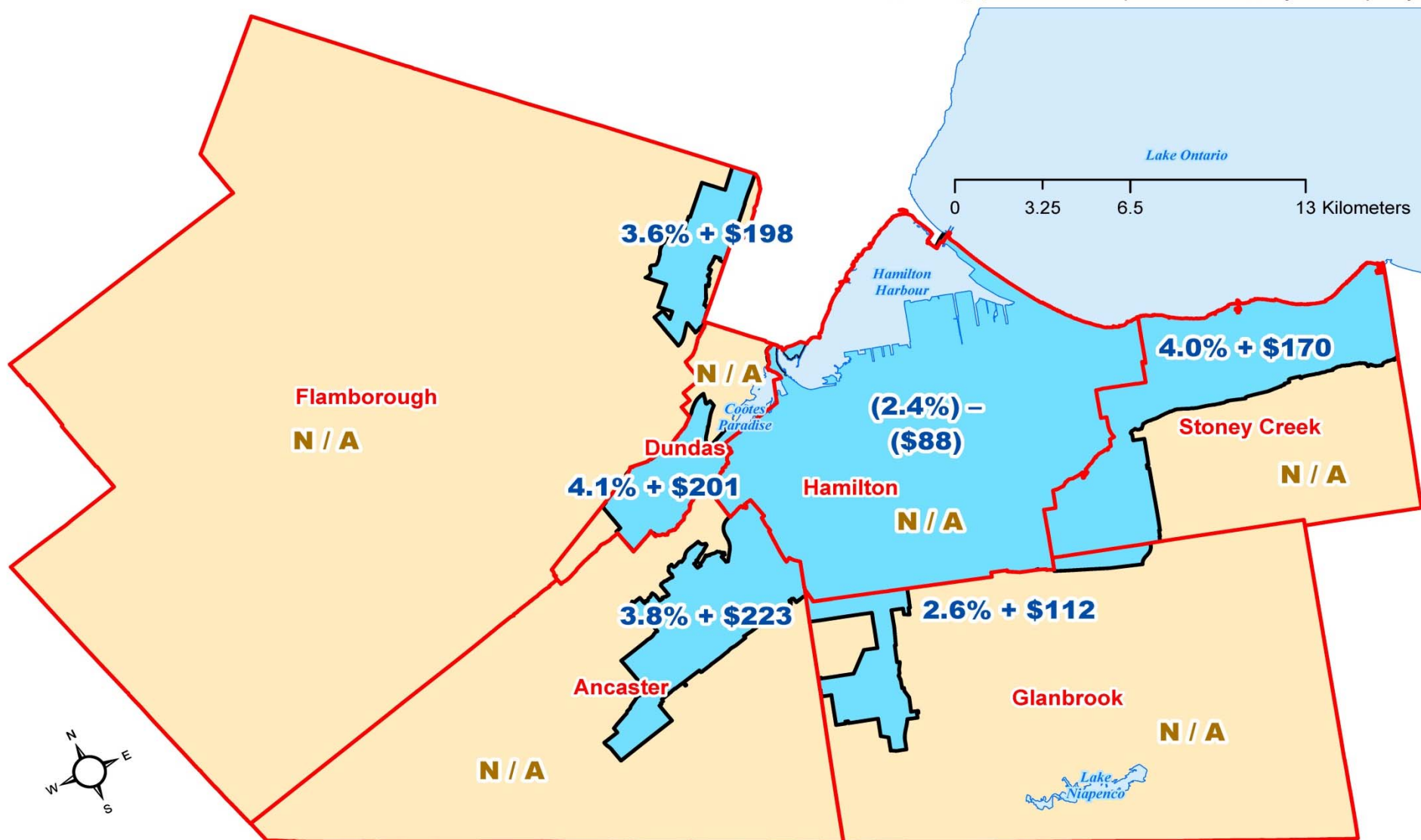
- Assumes that the urban area of the City would be levied equally for Transit Service and use the same tax rate regardless of the level of service
- Rural area of the City continue to be exempt

Urban / Rural Transit Average Residential Impacts

- Former Municipality Boundary
- Transit / Urban Area
- No Transit / Rural Area

% +/- \$\$ Urban Tax Impact % and \$\$ by Municipality

% +/- \$\$ Rural Tax Impact % and \$\$ by Municipality





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TIMELINE



Timeline

