

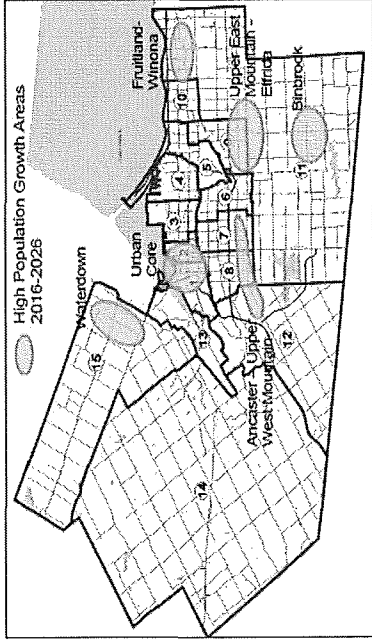
# IMPACT OF ASSESSMENT GROWTH WITH RESPECT TO LRT

*How will it affect our property taxes?*

Special GIC Meeting  
City of Hamilton  
Tuesday, October 25,  
2016

# Forecast Population Growth

- Hamilton's population is expected to increase by 12% (68,000 people) over the next decade
- Highest population growth forecast in Wards 11, 9 and 15
- Imbalance in population by ward expected to worsen over time



s

**With respect to our URBAN Transit Levies when development occurs:**

- In Dundas                      Ward 13 keeps that assessment growth and their transit taxes are reduced
- In Waterdown                Ward 15 keeps that assessment growth and their transit taxes are reduced
- In Ancaster                    Ward 12 keeps that assessment growth and their transit taxes are reduced
- In Glanbrook / Mount Hope    Upper Ward 11 keeps that assessment growth and their transit taxes are reduced
- In Fruitland/Winona        Ward 9, 10, and lower Ward 11 shares that assessment growth and in all 3 area transit taxes are reduced
- In Upper East Mountain    Ward 9, 10 and lower Ward 11 shares that assessment growth and in all 3 areas transit taxes are reduced
- In Binbrook                    No ward shares that assessment growth
- In the Core                    Wards 1 to 8 share that assessment growth and in all 8 areas transit taxes are reduced

**With respect to other areas of our Area Rated Tax System for property owners:**

Assessment Growth will reduce taxes in the Urban areas but will have no impact on taxes in the rural areas of Wards 9 - 15 for:

- Fire (\$87M levy)
- Sidewalks / Streetlights (\$9.5M levy)
- Recreation/Culture (\$35M levy)

Assessment Growth will reduce taxes in Wards 1-8, but have no impact on taxes in Wards 9-15 (Urban&Rural) for:

- Parkland
- Purchases (1.65M levy)

Assessment Growth will reduce taxes in Wards 1-8 ; not applicable in Wards 9 - 15 for:

- Special Infrastructure Levy (\$13.4 M levy)

Assessment Growth will have no impact in Ward 12 Urbanfor:

- Ancaster Special Snow Removal (\$130K levy)

Assessment Growth from development due to LRT will reduce taxes in all Wards and in all areas for:

- General Levy\* (\$362M levy)
- Education (\$192M levy)
- Total Combined Levy: \$554 million**      *of our total \$1.019 billion*      **levy**

*\* Please Note: our General Levy includes public transit for those with approved mobility issues (DARTS). In contrast, public transit for those with limited mobility issues or none, is levied using 7 different methods.*

SIX (6) TIER URBAN TRANSIT LEVY TAX SYSTEM (excl rural) FOR A 2 TIER SERVICE

Transit Levy	% of Total	Residential	%	Transit Rate
2010 Transit Levies: \$31,285,954				
\$1,916,990	6.13%	Stoney Creek**	68%	\$0.00025459
\$27,113,988	86.67%	Hamilton	57%	\$0.00085739
\$1,067,987	3.41%	Ancaster	80%	\$0.00022706
\$521,774	1.67%	Dundas	81%	\$0.00019152
\$335,715	1.07%	Flamborough	74%	\$0.00016026
\$329,501	1.05%	Glanbrook	82%	\$0.00031479
\$31,285,955	100%	\$18,685,799	60%	40% Non-Residential

In actuality, we have 8 different tax systems for one service - Public Transit - when DARTS and Rural properties on bus routes is included  
*Maybe it's time to narrow it down a bit?*

\*\* Note, in 2010 the actual cost for just the SC Central Bus, the SC Local Bus (#55 and #58) and TransCab trips was \$2,293,400 plus SC Residents also live on the Blaine, #1, #5, # 43, #44 and the #52 bus routes (unknown costs)

Appears, \$300K (plus the actual cost of the other routes running in the area) was paid for by residents outside of Stoney Creek.

**Area Rating is not an allocation of actual costs per area.**

***It is an allocation of the city-wide net cost using converted kms of service per area.***

***Big Difference!***

SIX (6) TIER URBAN TRANSIT LEVY TAX SYSTEM (excl rural) FOR A 2 TIER SERVICE

Transit Levy	% of Total	Year/Year Change	2011 Transit Levies:	\$	32,324,894	3%	change over previous year	\$1,038,940	Residential	%	Transit Rate	Year/Year Change
\$1,983,979	6.14%	3%	Stoney Creek				\$1,341,729	68%	\$0.00024451		-4%	
\$28,020,220	86.68%	3%	Hamilton				\$16,097,679	57%	\$0.00083823		-2%	
\$1,099,113	3.40%	3%	Ancaster				\$873,462	79%	\$0.00021496		-5%	
\$536,981	1.66%	3%	Dundas				\$437,923	82%	\$0.00018427		-4%	
\$345,499	1.07%	3%	Flamborough				\$252,502	73%	\$0.00015138		-6%	
\$339,103	1.05%	3%	Glanbrook				\$269,165	79%	\$0.00027612		-12%	
\$32,324,895	100%						\$19,272,460	60%		40%	Non-Residential	

Area Rating is not an allocation of actual costs per area.

It is an allocation of the city-wide net cost using converted kms of service per area.

Big Difference!

SIX (6) TIER URBAN TRANSIT LEVY TAX SYSTEM (excl rural) FOR A 2 TIER SERVICE

Transit Levy	% of Total	Year/Year Change	2012 Transit Levies: \$	change over previous 5% year	Residential	%	Transit Rate	Year/Year Change
\$2,083,010	6.14%	5%	33,938,398	\$ 1,613,504	\$1,406,172	68%	\$0.00024029	-2%
\$29,418,854	86.68%	5%			\$16,960,664	58%	\$0.00083711	0%
\$1,153,976	3.40%	5%			\$924,108	80%	\$0.00020694	-4%
\$563,784	1.66%	5%			\$459,979	82%	\$0.00018026	-2%
\$362,744	1.07%	5%			\$267,587	74%	\$0.00014446	-5%
\$356,029	1.05%	5%			\$284,469	80%	\$0.00027050	-2%
\$33,938,397	100%				\$20,302,979	60%		
							40%	Non-Residential

Area Rating is not an allocation of actual costs per area.

It is an allocation of the city-wide net cost using converted kms of service per area.

Big Difference!

SIX (6) TIER URBAN TRANSIT LEVY TAX SYSTEM (excl rural) FOR A 2 TIER SERVICE

Transit Levy	% of Total	Year/Year Change	2013 Transit Levies:	\$	36,775,710	8% year	change over previous	\$	2,837,312	Transit Rate	Year/Year Change
\$2,237,749	6.08%	7%	Stoney Creek	\$1,522,412	68%	\$0.00025011	4%				
\$31,704,177	86.21%	8%	Hamilton	\$18,415,001	58%	\$0.00087366	4%				
\$1,341,642	3.65%	16%	Ancaster	\$1,080,687	81%	\$0.00022977	11%				
\$628,675	1.71%	12%	Dundas	\$511,991	81%	\$0.00019438	8%				
\$380,387	1.03%	5%	Flamborough	\$285,177	75%	\$0.00014699	2%				
\$483,079	1.31%	36%	Glanbrook*	\$372,676	77%	\$0.00029837	10%				
\$36,775,709	100%			\$22,187,944	60%			40%	Non-Residential		

\* Ouch

Area Rating is not an allocation of actual costs per area.

It is an allocation of the city-wide net cost using converted kms of service per area.

Big Difference!

SIX (6) TIER URBAN TRANSIT LEVY TAX SYSTEM (excl rural) FOR A 2 TIER SERVICE

Transit Levy	% of Total	Year/Year Change	2014 Transit Levies:	change over previous 5% year	Transit Rate	Year/Year Change
\$2,405,217	6.21%	7%	\$ 38,758,240	\$ 1,982,530	\$0.00025834	3%
\$33,043,907	85.26%	4%			\$0.00088323	1%
\$1,527,096	3.94%	14%			\$0.00024661	7%
\$709,394	1.83%	13%			\$0.00021198	9%
\$391,093	1.01%	3%			\$0.00013945	-5%
\$681,534	1.76%	41%			\$0.00039067	31%
\$38,758,241	100%					

\* Second Ouch

Area Rating is not an allocation of actual costs per area.

It is an allocation of the city-wide net cost using converted kms of service per area.

Big Difference!



SIX (6) TIER URBAN TRANSIT LEVY TAX SYSTEM (excl rural) FOR A 2 TIER SERVICE

Transit Levy	% of Total	Year/Year Change	2015 Transit Levies:	\$	41,194,990	6% year	change over previous	\$	2,436,750	Residential	%	Transit Rate	Year/Year Change
\$2,601,158	6.31%	8%	Stoney Creek				\$1,779,653			\$0.00026799	68%		4%
\$34,683,265	84.19%	5%	Hamilton				\$20,338,063			\$0.00089493	59%		1%
\$1,774,458	4.31%	16%	Ancaster				\$1,426,968			\$0.00027410	80%		11%
\$822,219	2.00%	16%	Dundas				\$665,435			\$0.00023788	81%		12%
\$405,192	0.98%	4%	Flamborough				\$308,492			\$0.00013426	76%		-4%
\$908,699	2.21%	33%	Glanbrook*				\$647,658			\$0.00045197	71%		16%
\$41,194,991	100%						\$25,166,269				61%	39%	Non Residential

\* Third Ouch

Area Rating is not an allocation of actual costs per area.

It is an allocation of the city-wide net cost using converted kms of service per area.

Big Difference!

**SIX (6) TIER URBAN TRANSIT LEVY TAX SYSTEM (excl rural) FOR A 2 TIER SERVICE**

Transit Levy	% of Total	Year/Year	Residential	%	Transit Rate	Year/Year
\$2,759,511	6.45%	6%	\$1,886,359	68%	\$0.00027035	1%
\$35,692,726	83.38%	3%	\$20,956,403	59%	\$0.00088908	-1%
\$1,874,115	4.38%	6%	\$1,498,747	80%	\$0.00027377	0%
\$891,241	2.08%	8%	\$720,455	81%	\$0.00024816	4%
\$598,803	1.40%	48%	\$457,436	76%	\$0.00018414	37%
\$991,184	2.32%	9%	\$723,354	73%	\$0.00044767	-1%
\$42,807,580	100%		\$26,242,754	61%	Non-Residential	

2016 Transit Levies: \$ 42,807,580 4% change over previous year \$ 1,612,590

Note: trending in the wrong direction

\* Please note: of the \$6M in improvements in the fall of 2015 and during 2016, \$300K was levied, of which Ward 15 paid big \$

**Impact if Changed to 1 Urban Transit Tax Rate:**

Urban Value Assessment:	41,250,348,589
Funds Needed:	\$ 26,242,754
Full Rate / thousand:	0.000636183
Average Home Revised Levy:	\$222.66
Average Home current vs Equal Levy:	\$ 350,000

	Current	% Full Rate	Difference:
Ward 9, 10 & lower 11	\$94.62	42%	\$128.04
Wards 1 to 8	\$311.18	140%	(\$88.51)
Ward 12	\$95.82	43%	\$126.84
Ward 13	\$86.86	39%	\$135.81
Ward 15	\$64.45	29%	\$158.21
Ward 11 (upper)	\$156.68	70%	\$65.98

Unknown \$ value of Savings to mitigate this impact:  
 - Operating Costs savings due to admin Costs  
 (ie @ \$2,000 per hour every time this is discussed and annual costs to track system)  
 - Admin Costs to prepare reports to Council re; HSR improvements - \$500 per hour?  
 - Unrecoverable historical costs of ??? Will continue to be future costs of ???  
 - Obvious cost of urban sprawl  
 - Stop servicing Burlington residents for free &/or stop subsidy  
 - Stop city-wide subsidy of Anc. Seniors "Community bus"

**IMPACT OF NOT ADDRESSING URBAN TRANSIT AREA RATING:**

Property owners will be deprived of the positive financial impacts increased assessment growth in Wards 1-4 will have yet at the same time, we'll be paying a share of the overall HSR costs for improvements to feed the system (unless the total kms of the routes is shortened)

Current Scenario:

Wards 1 - 8 Urban Value Assessment:	\$ 23,570,842,321
Funds Needed:	\$20,956,403
Transit Tax Levy for Wards 1 - 8	0.000889082

Potential Scenario with Status Quo:

		<u>% Change</u>
1% Increase in Urban Value Assessment:	\$ 23,806,550,744	
Funds Needed:	\$20,956,403	
Transit Tax Levy for Wards 1 - 8	0.000880279	-1.0%
5% Increase in Urban Value Assessment:	\$ 24,749,384,437	
Funds Needed:	\$20,956,403	
Transit Tax Levy for Wards 1 - 8	0.000846744	-4.8%
10% Increase in Urban Value Assessment:	\$ 25,927,926,553	
Funds Needed:	\$20,956,403	
Transit Tax Levy for Wards 1 - 8	0.000808256	-9.1%

### GOING AROUND IN CIRCLES ?

- **Six (6) Tier Tax System** (rather than where buses actually run) results in **inequities** ↙
- **inequities** prevents **improvements** ↙
- **improvements** create further **disparities** and **complexities** ↙
- **disparities/complexities** create a lack of **understanding/appreciation** ↙
- **lack of understanding/appreciation** creates **divisiveness** ↙
- **divisiveness** results in the **status quo** ↙
- **status quo** results in maintaining the **same boundary lines/6 Tier System** ↙

Some will argue that one urban transit levy will not be fair for certain constituents, but I would hope that after this presentation, you will recognize that a change would be **fairer** than our existing system

Specific to where I live in Ward 10, our assessment values have decreased. For years now though, we've been able to ride on the coattails of the explosive growth in Wards 9 and 11 to mitigate what could have been substantial increases.

Respectfully request that now that we are implementing LRT, we correct our Transit tax system as well as establish an equitable Transit Boundary Area

I'm asking this knowing that even though I have a crappy public transit system (TransCab) and likely that this will increase my taxes, I believe once the emotions are removed, this is the right change to make to capitalize on the LRT project

*What really matters to the public is not what our city talks about, it's what our city puts our \$ towards*

**WE are ONE City**

*(with hundreds of unique and diversified communities)*