



Hamilton

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.

2



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**SYSTEM-WIDE APPROACH TO
PUBLIC TRANSIT**

10 YEAR TRANSIT STRATEGY RECAP

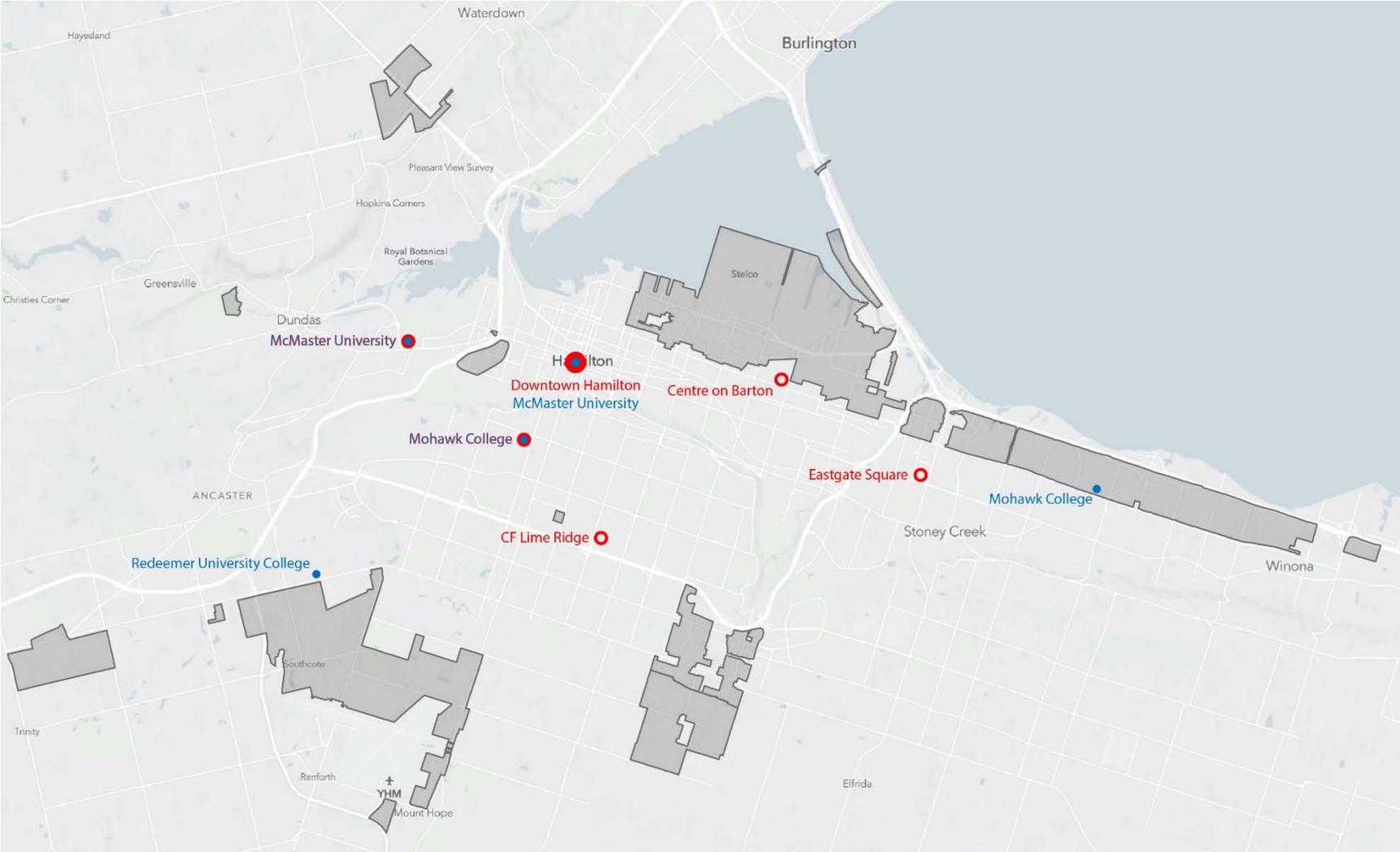
Plan entered the 'growth' phase in Sept 2018

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 Equivalents	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



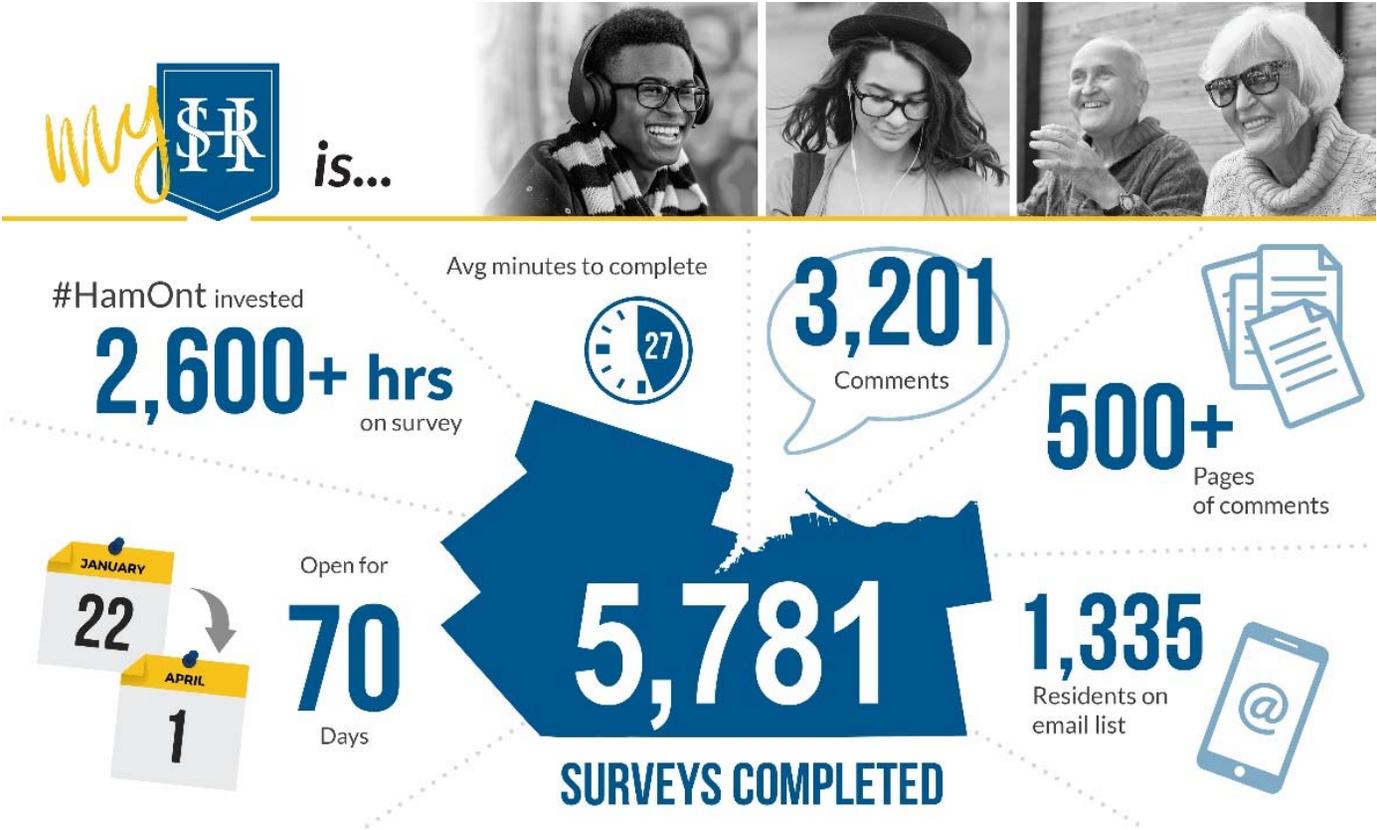
***needs to grow
with me***



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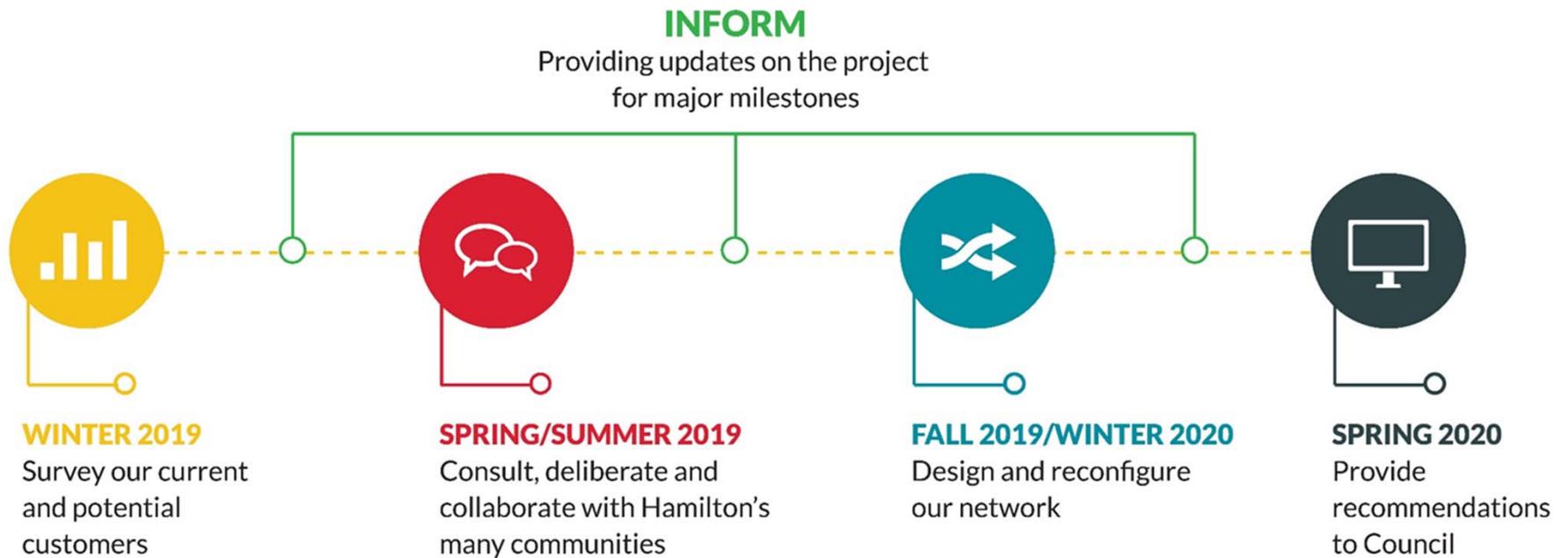
SURVEY RESPONSE RATE



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

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

Changes to Area Rating

2001-2010

Area rating based on former area municipal boundary



2011 +

Area rating based on urban / rural

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

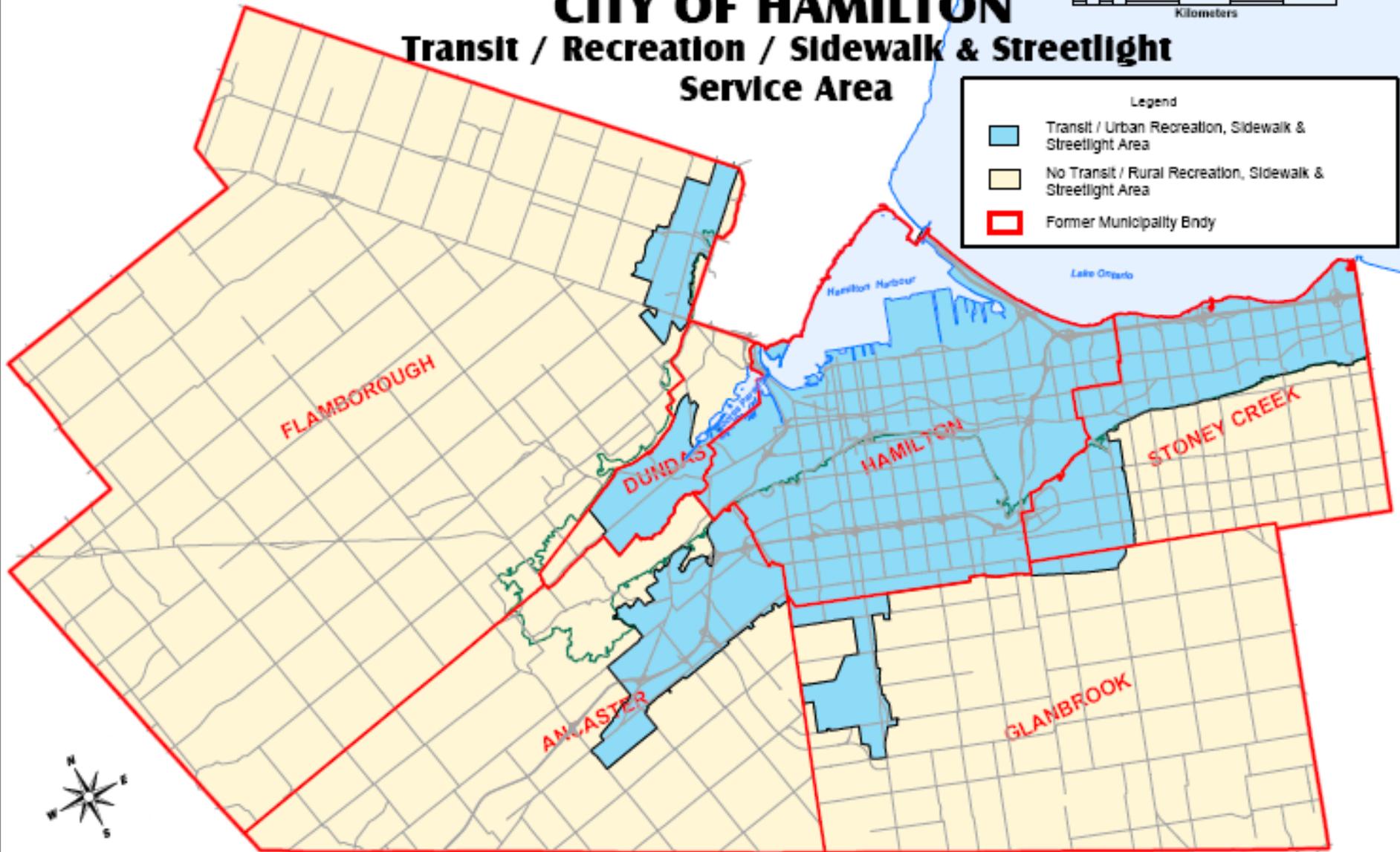
CITY OF HAMILTON

Transit / Recreation / Sidewalk & Streetlight Service Area



Legend

- Transit / Urban Recreation, Sidewalk & Streetlight Area
- No Transit / Rural Recreation, Sidewalk & Streetlight Area
- Former Municipality Bndy



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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

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

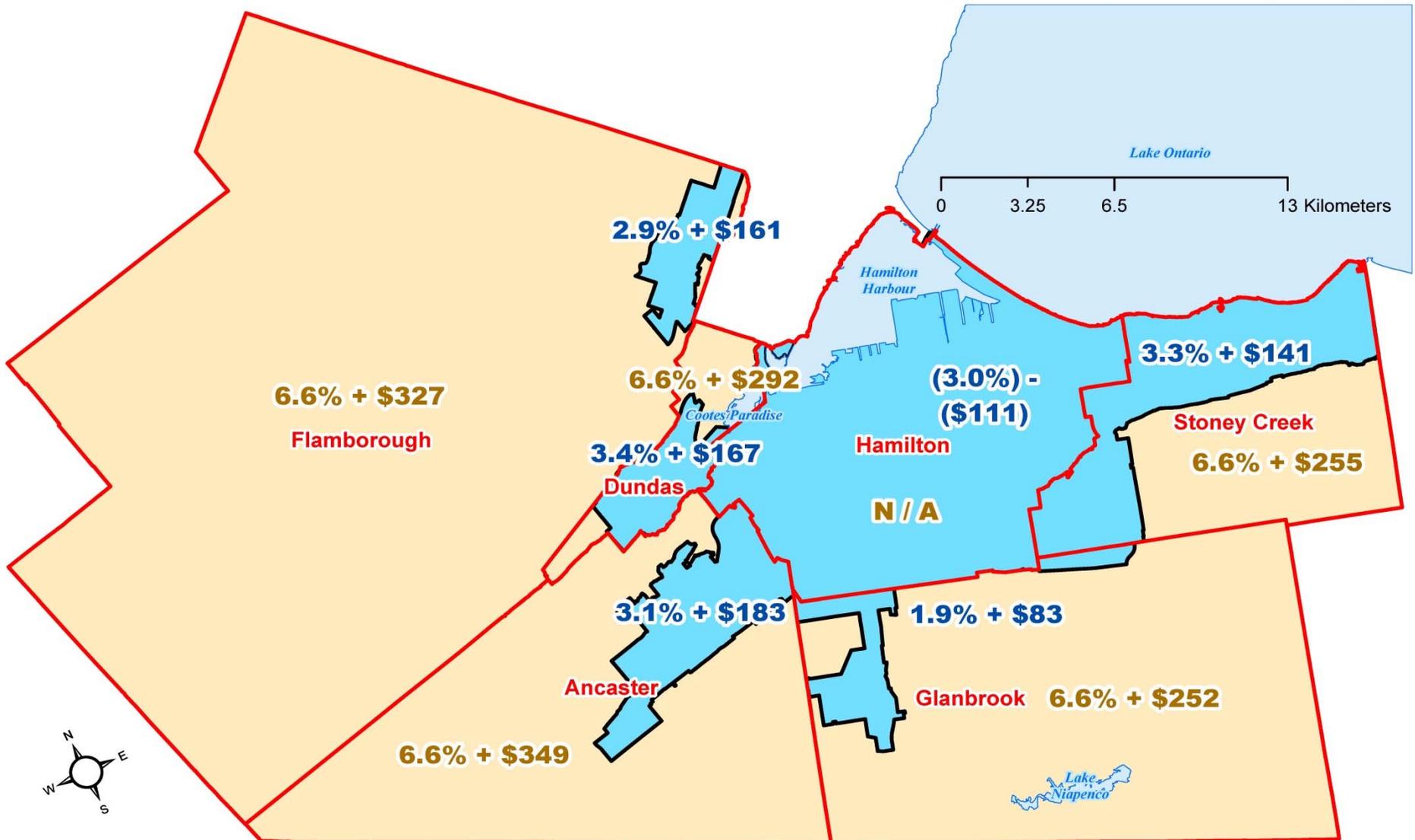
Option 1: Move Transit Budget to the General Levy

- 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

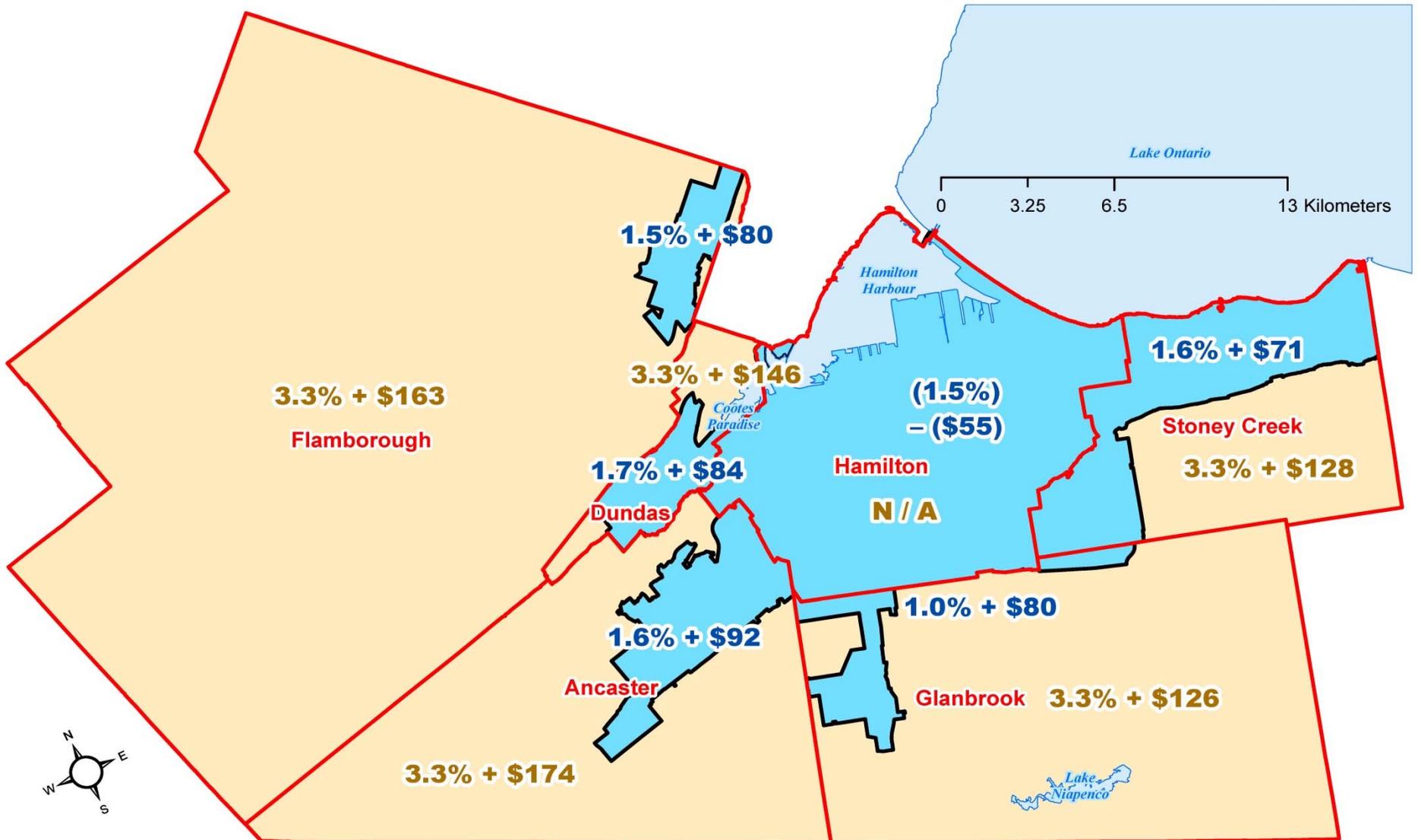
- 50% of the Transit budget would be in the General levy
- The additional 50% would continue to be area-rated area on kms (Status Quo)
- Rural areas will start to pay for Transit

50% of Transit on General Levy

Average Residential Impacts

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

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



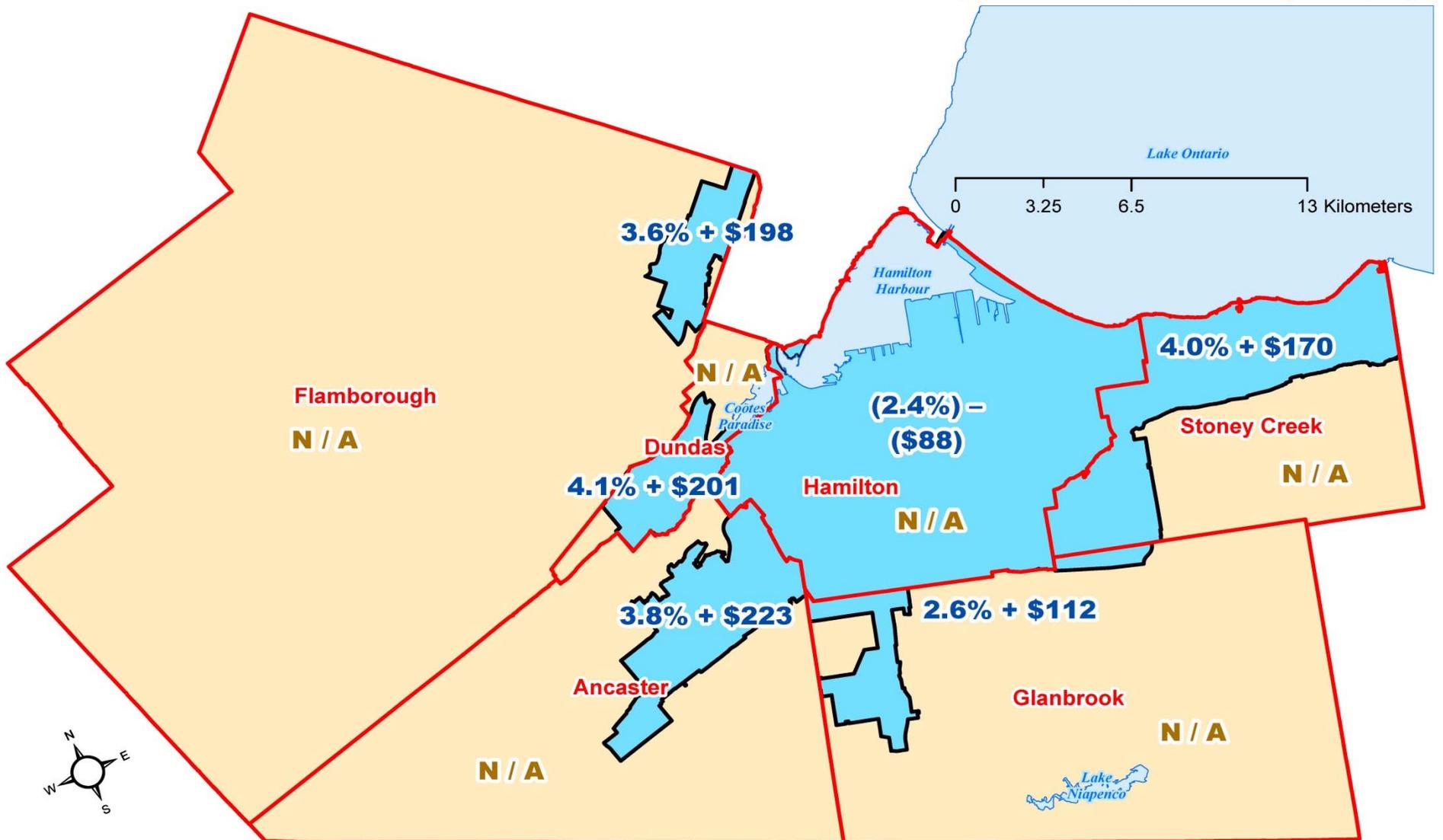
Potential Alternatives

Option 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

