

**Pilon, Janet**

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**Subject:** Council Correspondence re: GIC Report, Hamilton Tax Increment Grants - May 26 Agenda

**Has Council indirectly allowed the old wards 1 - 8 Special Infrastructure Levies to be downloaded to the properties taxes of those of us that own properties outside of those old ward boundaries ?... for the last 20 years??**

Dear Honourable Mayor & Council,

I strongly encourage you to table/further discuss the tax implications & the Value for Money of approving grants under the Hamilton Tax Increment Grant program established by Council in August 2001.

I was unable to find any details of this program's approval from the archived August 22, 2001 agendas. I was also unable to find a funding source, such as built-up Reserves for the grants provided under this program. Generally, there would be time to ask questions or obtain details from Clerks, however, with a noon deadline of today, I am bringing my concerns directly to Council for consideration. **The funding of the program itself is of concern.**

What is the funding source of grants under this program?

It appears to be the General Levy.

If so, since the grants themselves are inclusive of amounts for the Special Infrastructure area-rated levies, an amount equal to the SIL is paid by all taxpayers city-wide & **Indirectly funded by properties outside the old wards 1 - 8**

While I agree with Councillor Ferguson, that the grant program itself should be reconsidered because the need to provide stimulus funds to regenerate the downtown may not be the same as it was 20 years ago, at the very least,, Council should consider that ***the grants be approved after excluding the Special Infrastructure / Area Rated levy portion.***

Should my quickly put together analysis of the programs funding sources be accurate, I would also ask that Council consider a request to Staff to provide a report on what the exact \$ amount of grants have been over the last 20 years and what portion of that has been attributable to SIL / AR levies. I already know that I, my friends & my neighbours are disproportionately paying for the staffing costs for special infrastructure projects, hence I would like to also know how much of those historical property taxes have indirectly also gone to the hard costs.

Lastly, Council may wish to question the projected grants in the reports before you presently. It appears to me that by using old 2019/2020 tax rates, as well as assessment values of only ~ \$250,000 per housing unit, the projected grants are assuming housing prices will go down in the core? And property taxes in the City won't increase over the next 5+ years?

The average assessment value in Ward 2 is \$281,100 / residential housing unit.

The average assessment values (based on 2016 fair market values) of similar condo units on King William are \$270,000 per unit.

Historically, new condos in the core have been priced in the range of \$350K to \$640K.

It appears, upon completion of these new builds, ***the City is assuming there will be no 'tax assessment' shift realized as a result of the unprecedented infrastructure investments being made in the core?***

In summary, I believe the grants will result in an approximate 1% increase in taxes (based on \$8M hit to General Levy) as well as a continuation of an indirect funding of Area rated reserves by the residents living in the former municipalities of Stoney Creek, Waterdown, Ancaster, Dundas & Glanbrook.

Sincerely,

Viv Saunders, CLU, CFP, CH.F.C  
Stoney Creek Resident, Ward 10  
Hamilton