

Item 6.1



Hamilton

**2022 TAX SUPPORTED CAPITAL
BUDGET
FCS21096**

Mike Zegarac
General Manager, Finance and Corporate Services

November 26, 2021
General Issues Committee

AGENDA

2022 Tax Supported Capital Budget

1. Preliminary 2022 Tax Capital Summary
2. 2023-2025 Tax Capital Forecast

2022-2025 Capital Financing Plan: Key Objectives

- Maintaining assets in a state-of-good-repair
- Resiliency and economic recovery in response to the COVID-19 global pandemic
- Leveraging funding programs from senior levels of government
- Ongoing support for transportation and housing priorities
- Supporting integrated growth and development, as well as all other priorities for the 2016-2025 Strategic Plan and 2019-2022 Term of Council

2022-2025 Capital Financing Plan: Key Elements

- Additional \$4.8M (0.50%) for state-of-good-repair
- Additional \$1.4M (0.15%) for debt servicing related to ICIP – Transit and West Harbour
- 2023-2025 capital block allocations adjusted for inflation based on the Non-Residential Construction Price Index
- Initiates a multi-year financing strategy to address the \$54M funding shortfall for discretionary DC exemptions
- Follows City's debt policy to support the City's AA+ credit rating



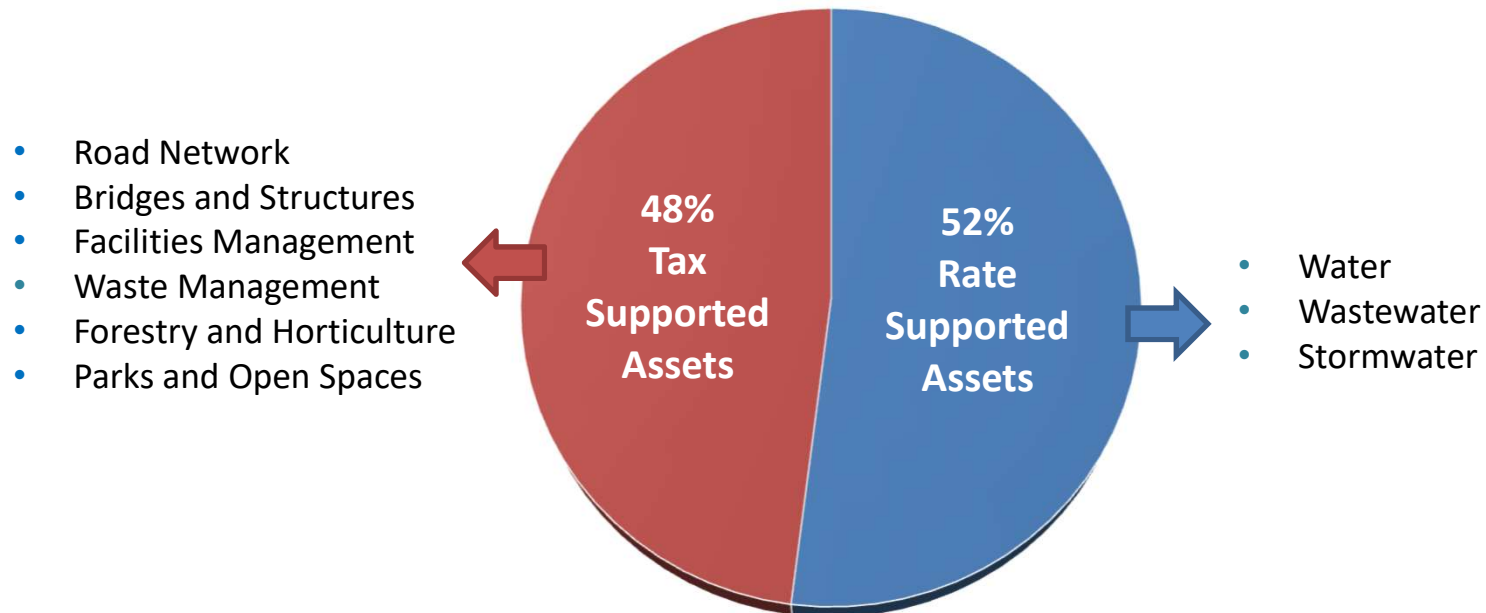
Hamilton

2022 CAPITAL SUMMARY

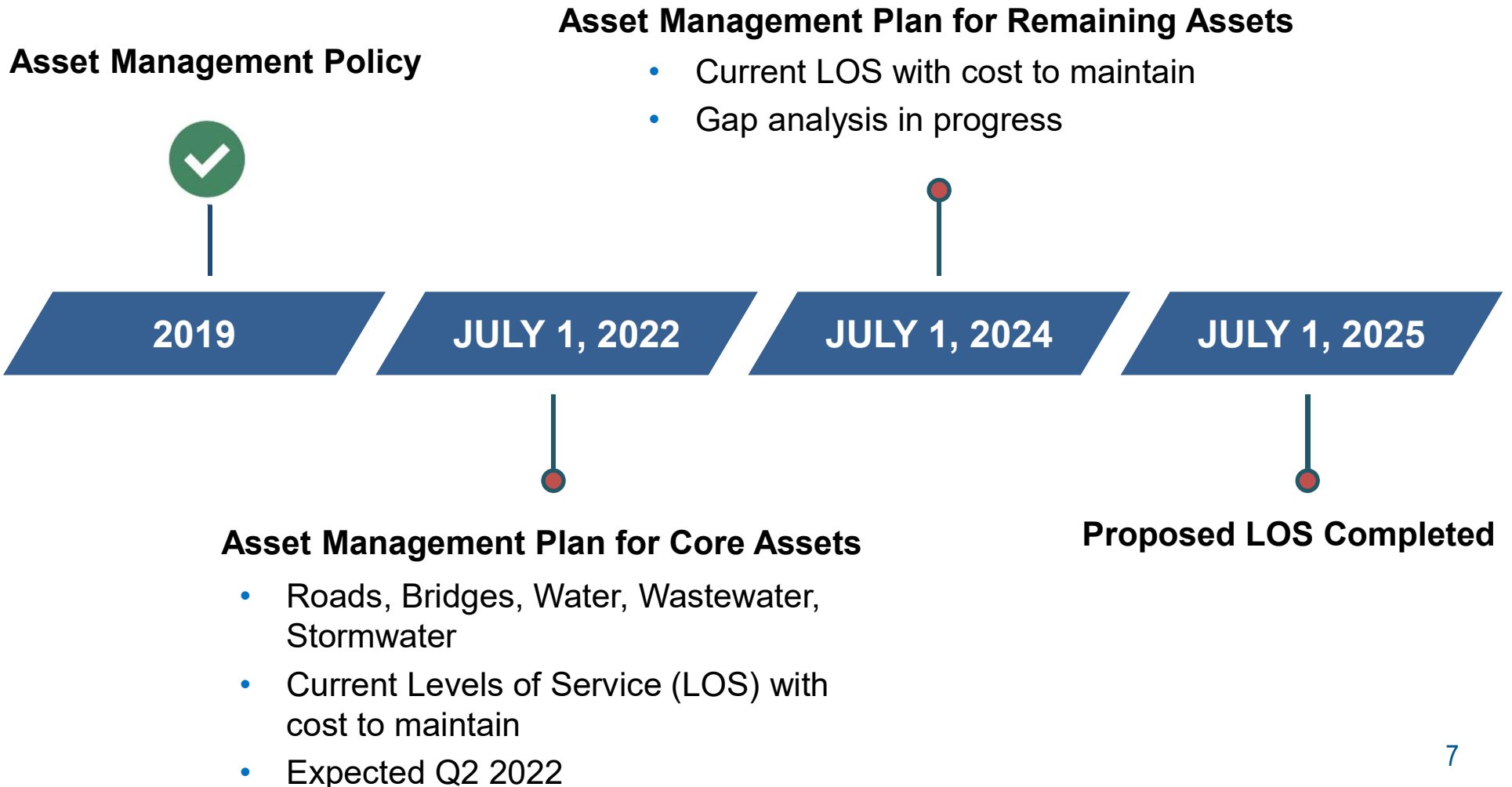
2022 Tax Supported Capital Budget

ASSET VALUE Snap Shot

- Replacement value of hard assets is approx. **\$20B**



ONTARIO REGULATION 588/17 MANDATES



2022 GROSS CAPITAL

- The 2022 Tax Supported Capital Budget is \$386.0M compared to \$484.4M in 2021 (\$538.9M for 2021 Revised)
- Decrease of \$2.5M in 2022 compared to the forecasted amount for 2022 in the approved 2021 Capital Financing Plan
 - Mount Hope Library Expansion deferred to 2023 - **\$2.6M**
 - National Housing Strategy Co-Investment Fund considered operating exp. vs. capital exp. - **\$10.0M**
 - Increase in ICIP Transit debt for Birch Avenue Bridge - **\$2.4M**
 - Increase in debt for Stadium Precinct Park - **\$1.3M**
 - Additional contribution from Reserves - **\$2.4M**

Federal & Provincial Funding Announcements

Supplemental to 2022 Tax Capital Budget

Hamilton LRT	\$	3,400.0	M
ICIP - Transit	\$	370.0	M
ICIP - Community, Culture and Recreation	\$	9.0	M
ICIP - Resilience Stream	\$	7.0	M
FGT/Canada Community Building Fund	\$	32.7	M
CMHC Rapid Housing Initiative	\$	12.9	M
Green and Inclusive Community Buildings Program	\$	1.2	M
Canada Healthy Communities Initiative	\$	0.3	M
Total Confirmed	\$	3,833.1	M
Disaster Mitigation and Adaptation Fund	\$	41.0	M
Canada Community Revitalization Fund	\$	5.5	M
Total Pending	\$	46.5	M
		\$	3,879.6 M

CAPITAL LEVY INCREASE

(\$000's)

	2021 <u>Restated</u>	2022 <u>PROPOSED</u>	<u>CHANGE</u>	
			\$	%
Debt Charges	40,708	40,793	85	0.2
Transfer from Operating	86,657	92,770	6,113	7.1
Total Tax Supported Capital Levy	127,365	133,563	6,198	4.9

Municipal Tax Impact on Average Residential Property Tax 0.65% (\$28)

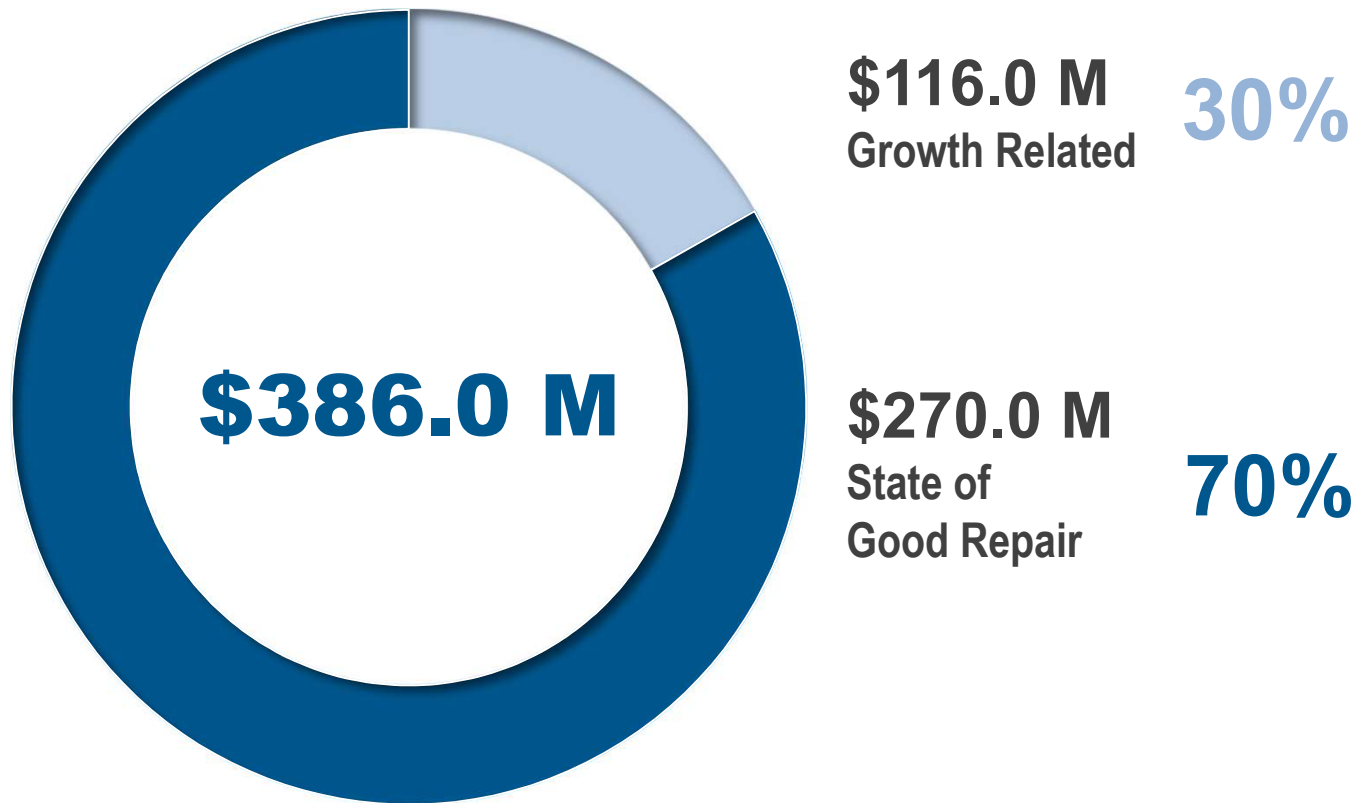
UPDATED MUNICIPAL TAX INCREASE

2022 Capital Financing Tax Impact

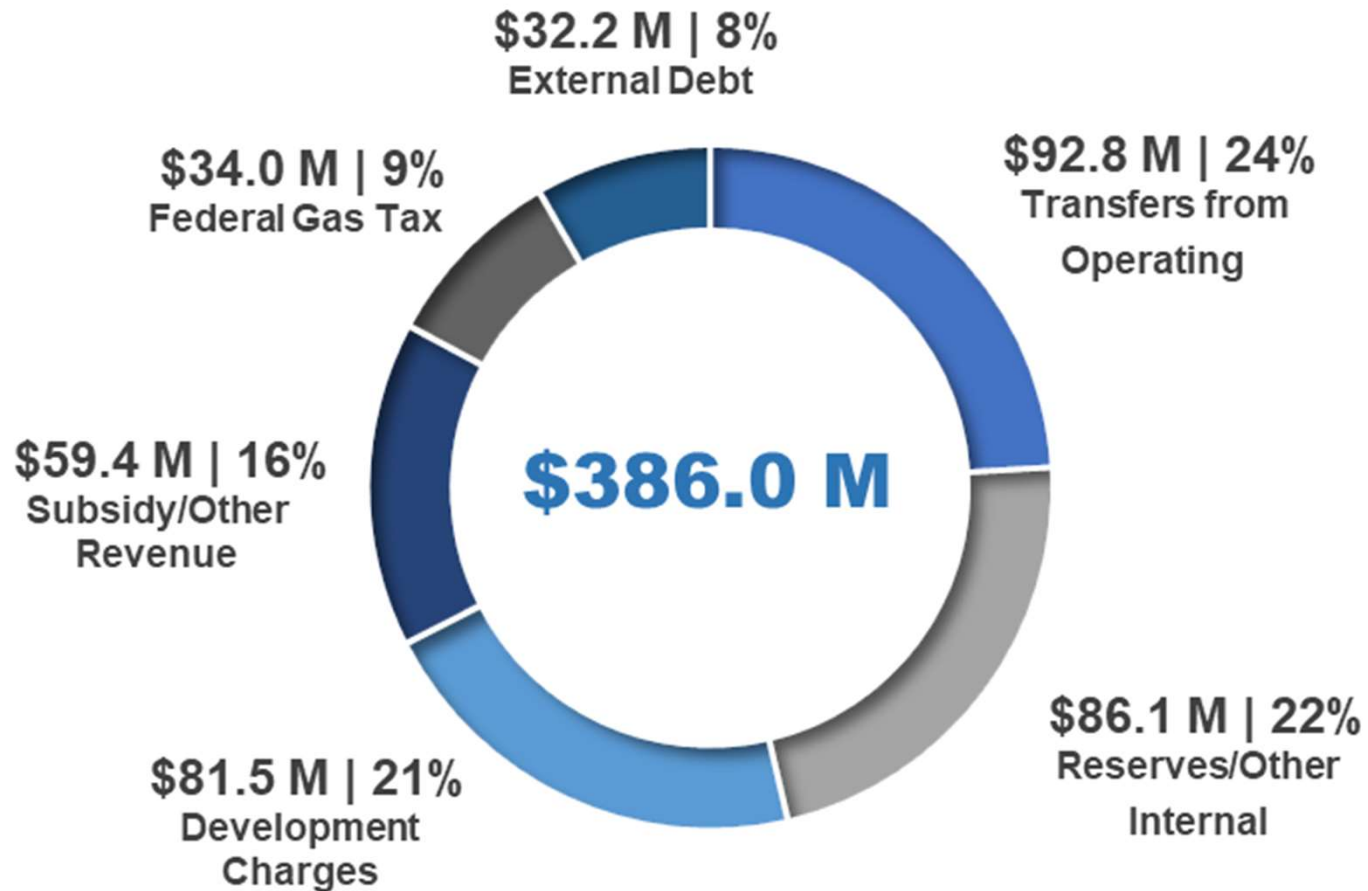
Municipal Taxes		\$	%
	Discretionary Capital Blocks	\$ 21.79	0.50%
	ICIP - Transit	\$ 4.79	0.11%
	West Harbour	\$ 1.74	0.04%
	MUNICIPAL TAXES	\$ 28.32	0.65%

- The proposed 2022 Capital Financing Plan would result in a 0.65% residential tax impact and approximately \$28.32 for the average household assessed at \$381,000

2022 TAX CAPITAL GROSS INVESTMENT





2022 GROSS CAPITAL FUNDING



2022 Capital Gross Investment

\$386.0 M Gross

	Roads/Bridges/Sidewalk/Street Lighting/Traffic	130.0	33.7%
	Transit Initiatives	77.4	20.0%
	Energy, Fleet and Facilities	60.5	15.7%
	Environmental Services	38.5	10.0%
	West Harbour Strategic Initiatives	19.9	5.2%
	Other	13.4	3.5%
	Planning, Economic Development, Tourism and Culture	13.3	3.4%
	Fire and Paramedic Services	10.4	2.7%
	Waste Management	9.3	2.4%
	Outside Boards & Agencies	6.3	1.6%
	Affordable Housing Initiatives	3.5	0.9%
	Information Technology	3.5	0.9%

2022 Roads/Bridges/Traffic

\$130.2 M Gross Total Dollar Investment

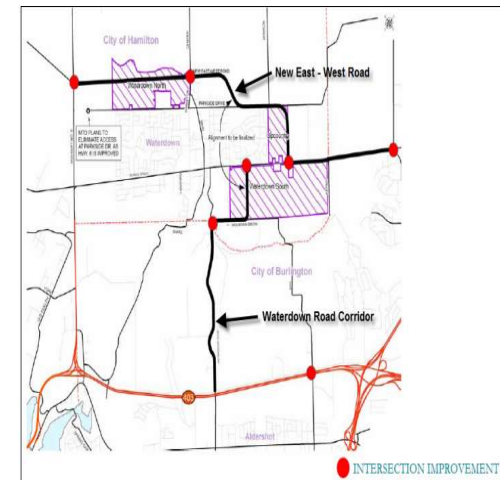
\$75.2 M

State of Good Repair



\$55.0 M

Gross Growth Projects



2022 Transit Initiatives

\$77.4 M Gross Total Dollar Investment



2022-31 Transit Initiatives

\$323 M Gross Total Dollar Investment

(\$000's)	GROSS	NET
Bus Replacement Program	\$181,853	\$18,500
Bus Expansion	\$52,792	\$0
Birch Avenue Bridge	\$39,965	\$10,659
Active Transportation Connections	\$7,700	\$0
A Line Priority Bus Corridor	\$6,500	\$1,733
PRESTO Equipment	\$5,000	\$5,000
Bus Shelters	\$2,750	\$1,250
Real Time Management	\$2,750	\$734
Terminal and End of Line Rehabilitation	\$750	\$750
Operator Washrooms	\$600	\$600
Other	\$22,000	\$22,000
Total	\$322,660	\$61,226

17

2022 West Harbour

\$19.8 M Gross Total Dollar Investment



18

2022 Growth Projects

\$81.5 M Development Charges

	Roads/Bridges/Sidewalk/Street Lighting/Traffic	\$ 42.3 M
	Energy, Fleet and Facilities	\$ 17.0 M
	Environmental Services	\$ 12.8 M
	Planning, Economic Development, Tourism and Culture	\$ 4.2 M
	Waterfront Development	\$ 3.4 M
	Transit Initiatives	\$ 0.9 M
	Outside Boards & Agencies	\$ 0.6 M
	Waste Management	\$ 0.2 M
		\$ 81.5 M

2022 Financing of Growth

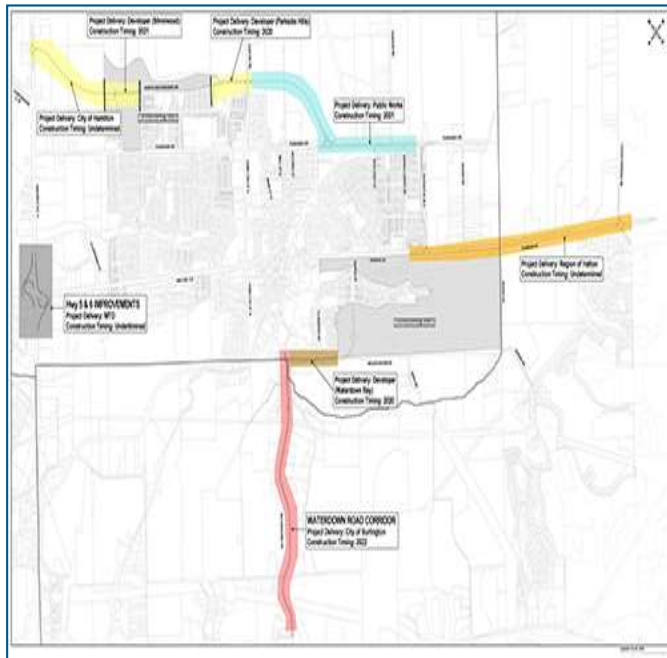


**\$10 M Waterdown –
Burlington Road Upgrades**

DC Debt

\$ 10.0 M

2022 Financing of Growth



\$10.0 M East-West Road Corridor (Waterdown By-Pass)

DC Debt	\$ 9.5 M
Operating Funds	\$ 0.5 M

2022 Financing of Growth



\$22.9 M Brightside Park – Stadium Precinct Community (including fieldhouse and washroom)

DC Debt	\$ 13.3 M
External Debt	\$ 9.6 M

2022 Financing of Growth



**\$23.7 M Macassa Lodge
D-Wing**

Development charge Reserve	\$ 7.3 M
-------------------------------	----------

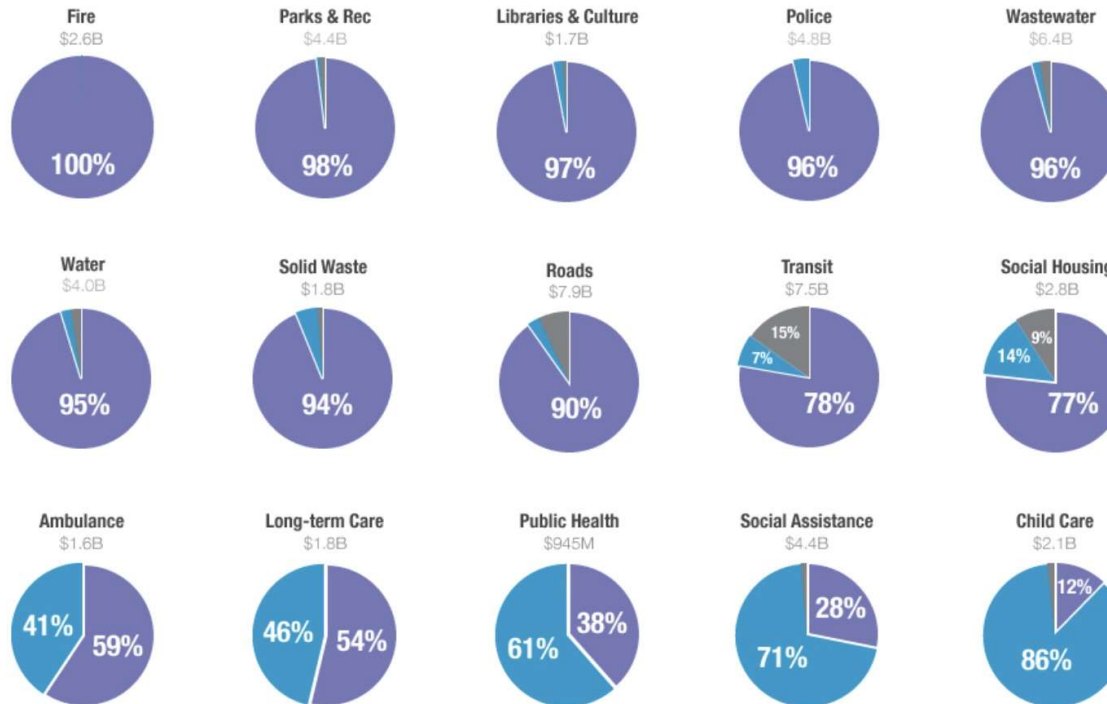
Internal Loan	\$ 16.4 M
---------------	-----------

Who Pays for Local Services?

Figure 2: SPENDING ON SELECT LOCAL SERVICES

Share funded by **Municipal Revenues**, **Provincial Transfers**, and **Federal Transfers** in 2018

Sorted by municipal share



Source: Compiled from Ontario Ministry of Municipal Affairs, Financial Information Return.

Note: Excludes unconditional transfers.

Source: Ontario 360 – Policy Solutions for Ontario’s Prosperity

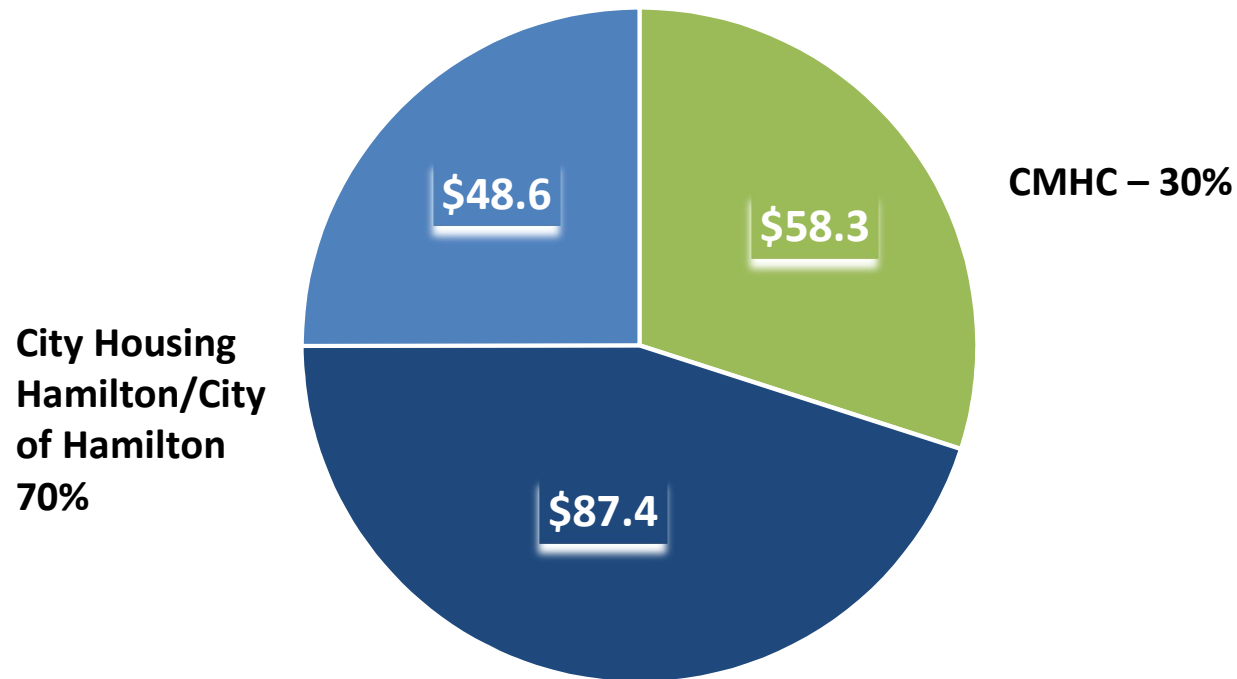
Addressing Affordable Housing & Homelessness

	Pre-2022	2022	2023	2024	2025	2026-2031
Poverty Reduction Funds-Affordable Rental Housing	20,000,000					
Poverty Reduction Funds-Indigenous Poverty Reduction	4,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000
Poverty Reduction Funds-Social Housing Repairs and Renovations	8,000,000	2,000,000	2,000,000	2,000,000	2,000,000	4,000,000
Roxborough Construction Loan	29,225,000					
McNab Rehabilitation Loan	9,229,500					
CMHC Rapid Housing Initiative	23,706,520					
CityHousing Hamilton Block Funding-General Repairs and Rehabilitation	Annual	500,000	500,000	500,000	500,000	3,000,000
Social Housing Capital Repairs and Regeneration Block Funding	Annual	500,000	500,000	500,000	500,000	3,000,000
CHH-CMHC National Housing Strategy Co-Investment Fund						
CityHousing Hamilton	4,306,649	4,835,771	5,016,487	5,200,817	5,388,834	23,814,402
City of Hamilton (CMHC Repayable Loan)	20,000,000	10,000,000	10,000,000	10,000,000	10,000,000	27,413,328
CMHC Forgiveable Loan	16,827,773	10,147,466	7,501,189	6,095,448	3,922,711	13,780,965
Subtotal National Housing Strategy	41,134,422	24,983,237	22,517,676	21,296,265	19,311,545	65,008,695
GRAND TOTAL	\$ 135,295,442	\$ 28,983,237	\$ 26,517,676	\$ 25,296,265	\$ 23,311,545	\$ 77,008,695

National Housing Strategy Co-Investment Fund

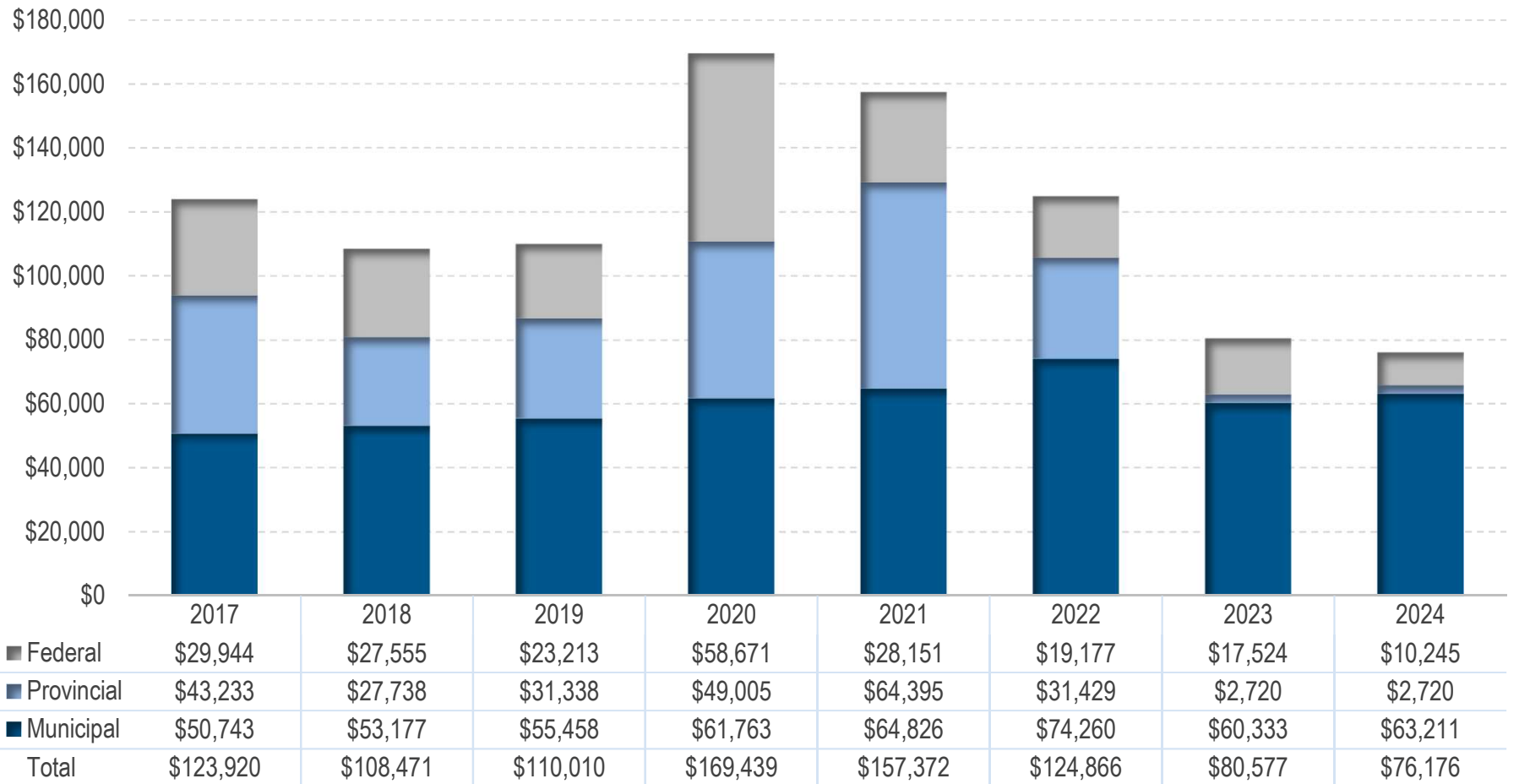
\$Millions

City Housing Hamilton Co-Investment Fund - \$194.3

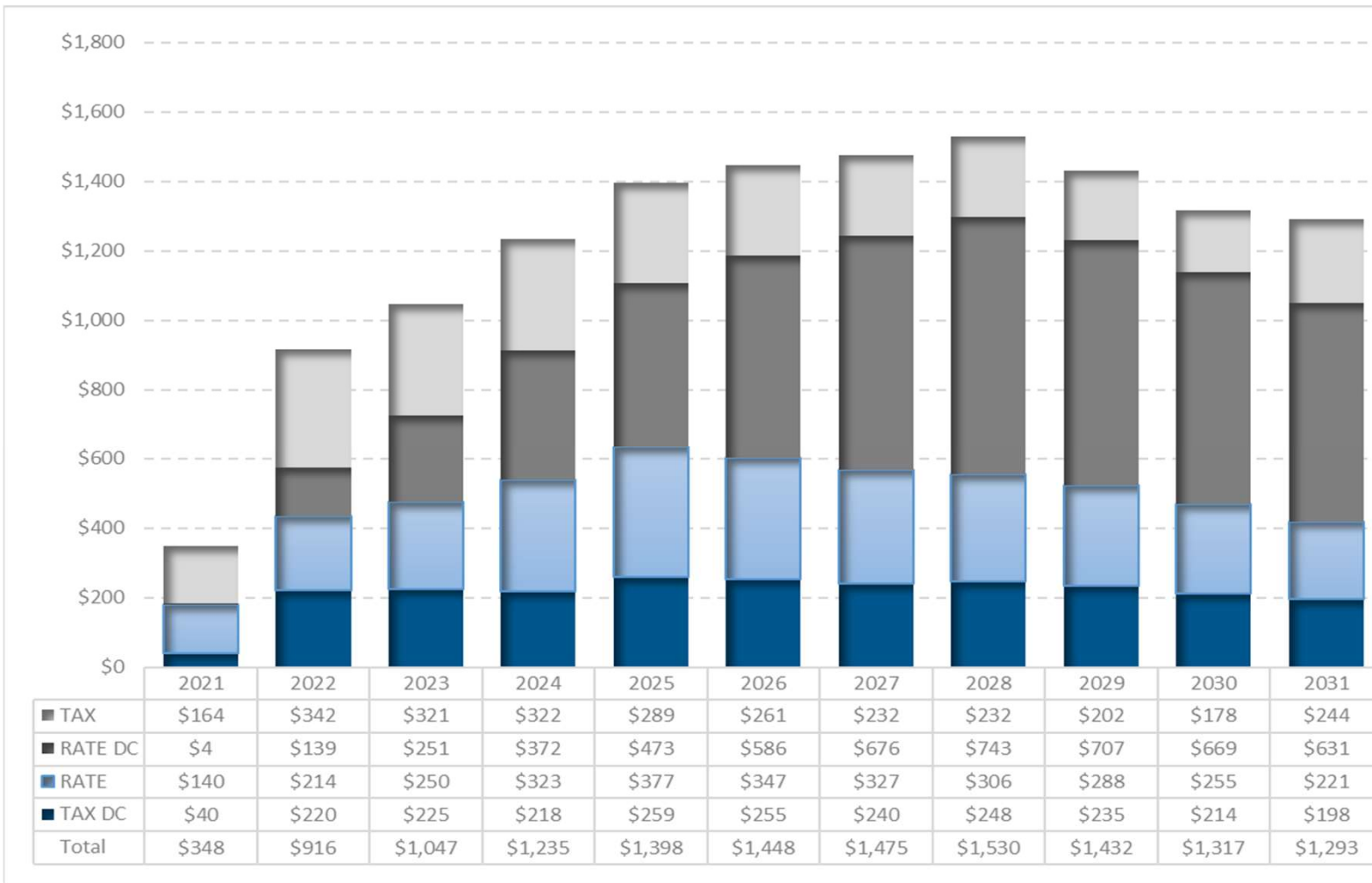


■ CMHC Foregivable Loans ■ CMHC Repayable Loans ■ CHH Contribution

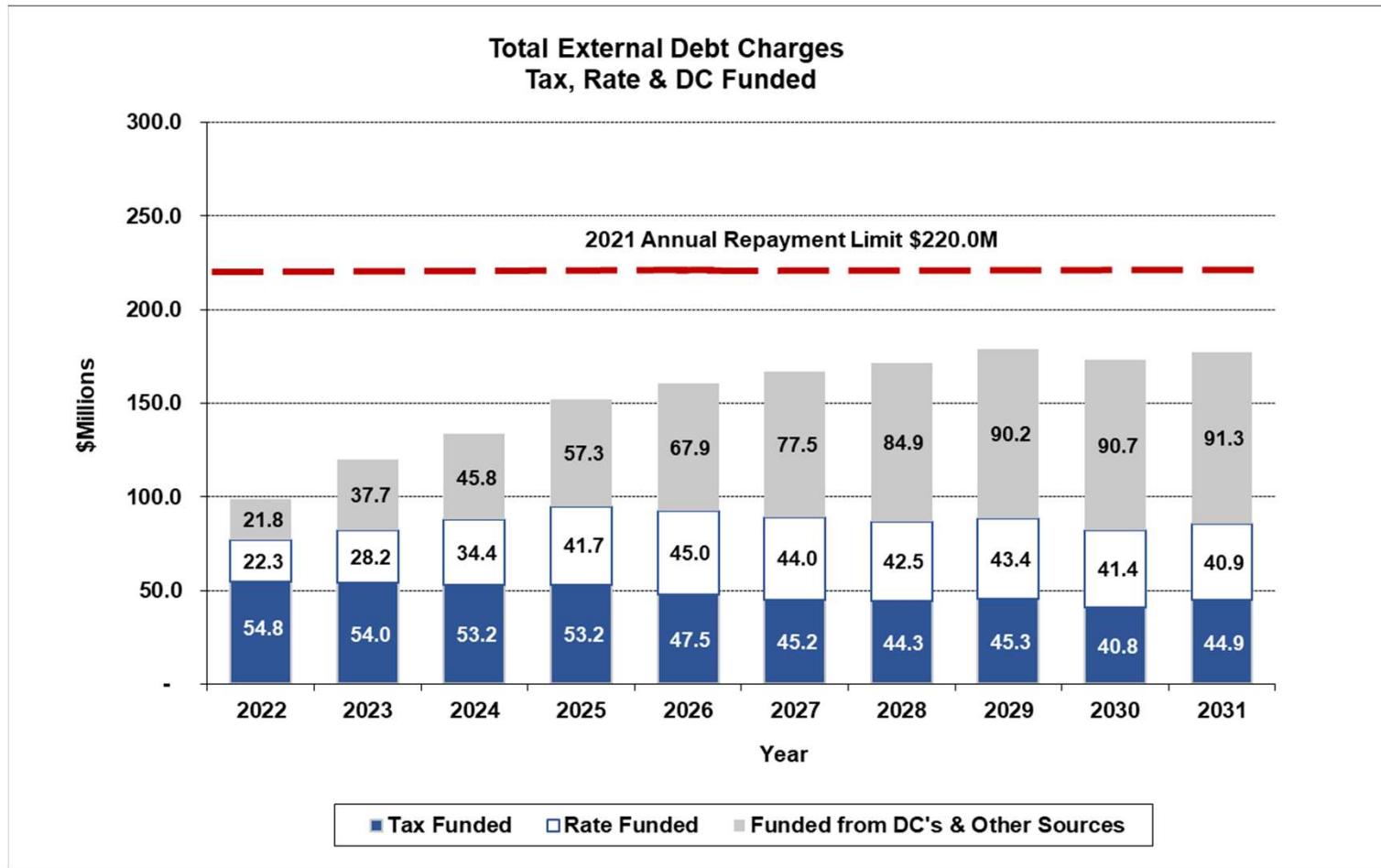
2017 to 2024 Total Housing Investment (\$000's)



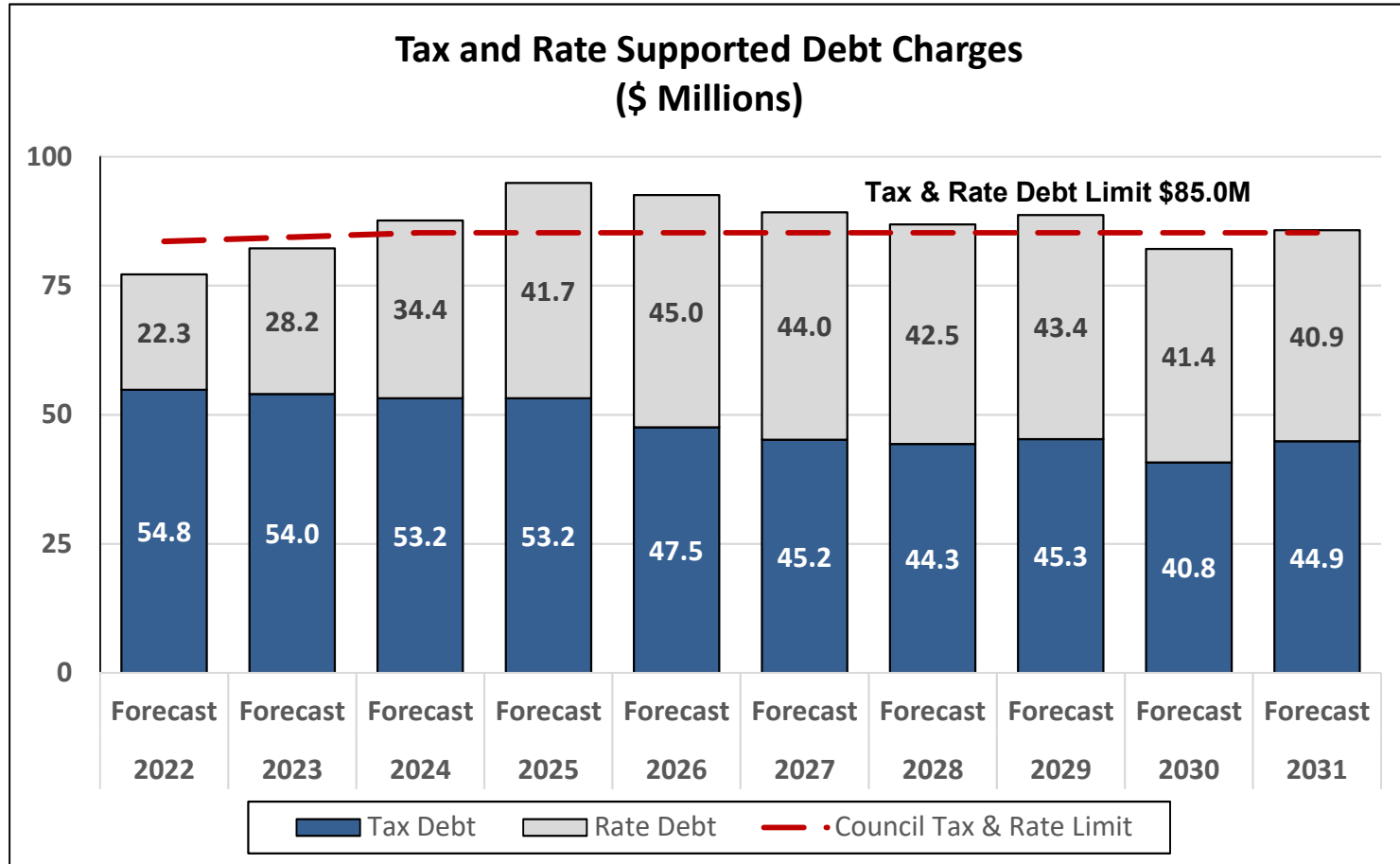
Total Forecasted Debt (\$Millions)



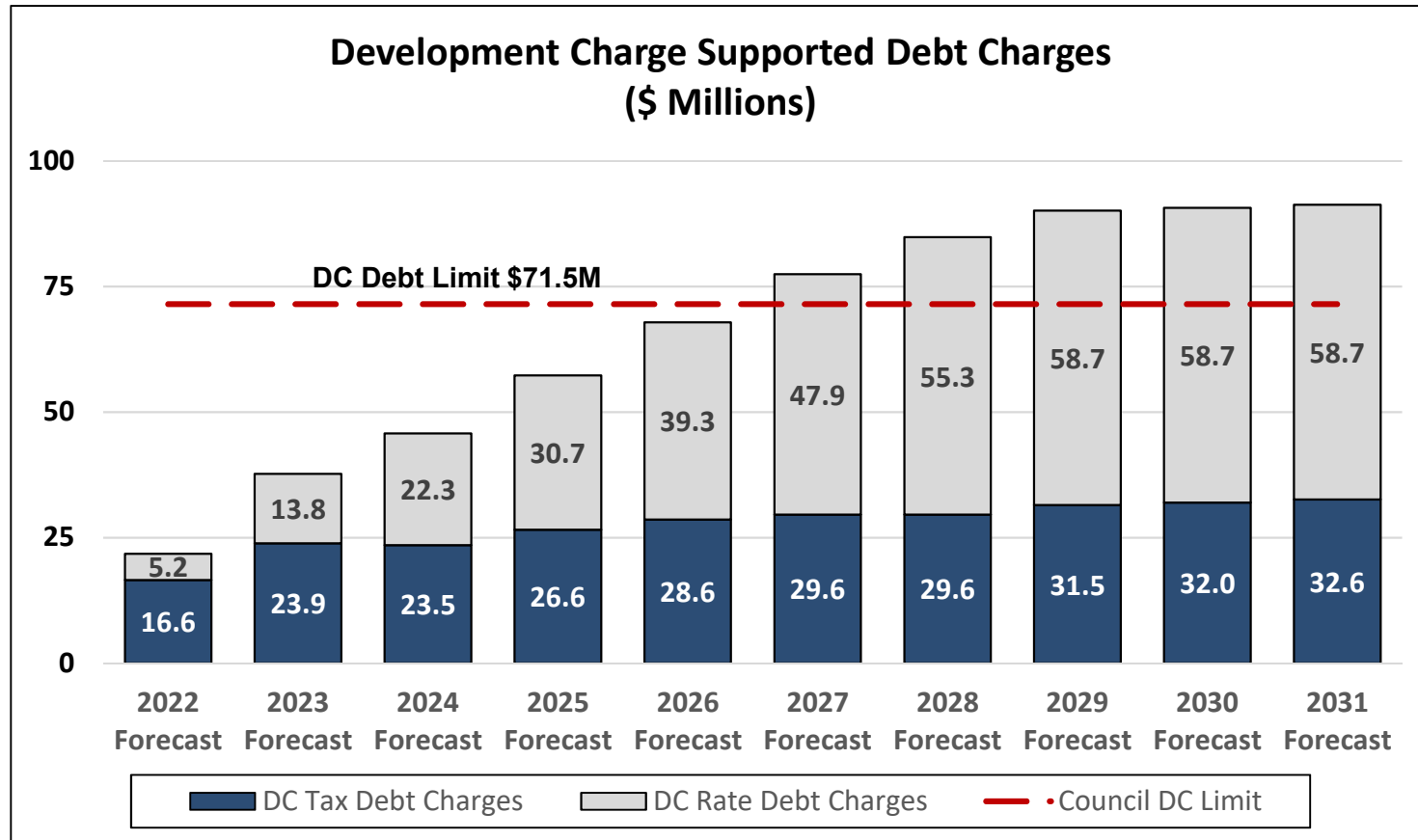
Forecasted Debt Charges



Forecasted Tax and Rate Supported Debt Charges



Forecasted DC Supported Debt Charges



Capital Reserves – 2022 Funded Projects



\$10.2 M

Fleet Vehicles &
Equipment



\$9.4 M

Emergency Vehicles &
Fire Apparatus



\$5.6 M

HSR Bus Replacement
Program



Hamilton

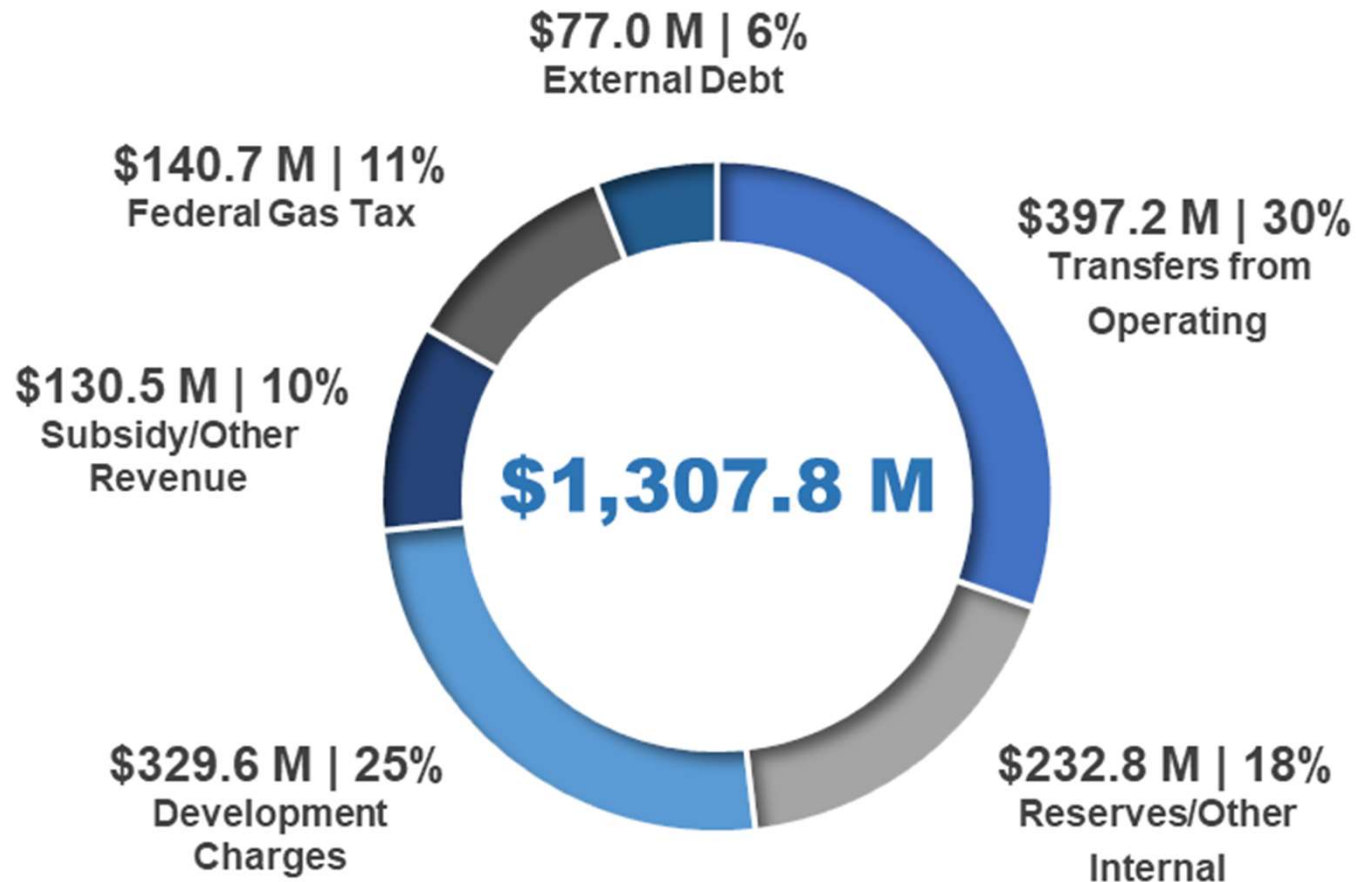
2022-2025 CAPITAL FORECAST

2022 Tax Supported Capital Budget

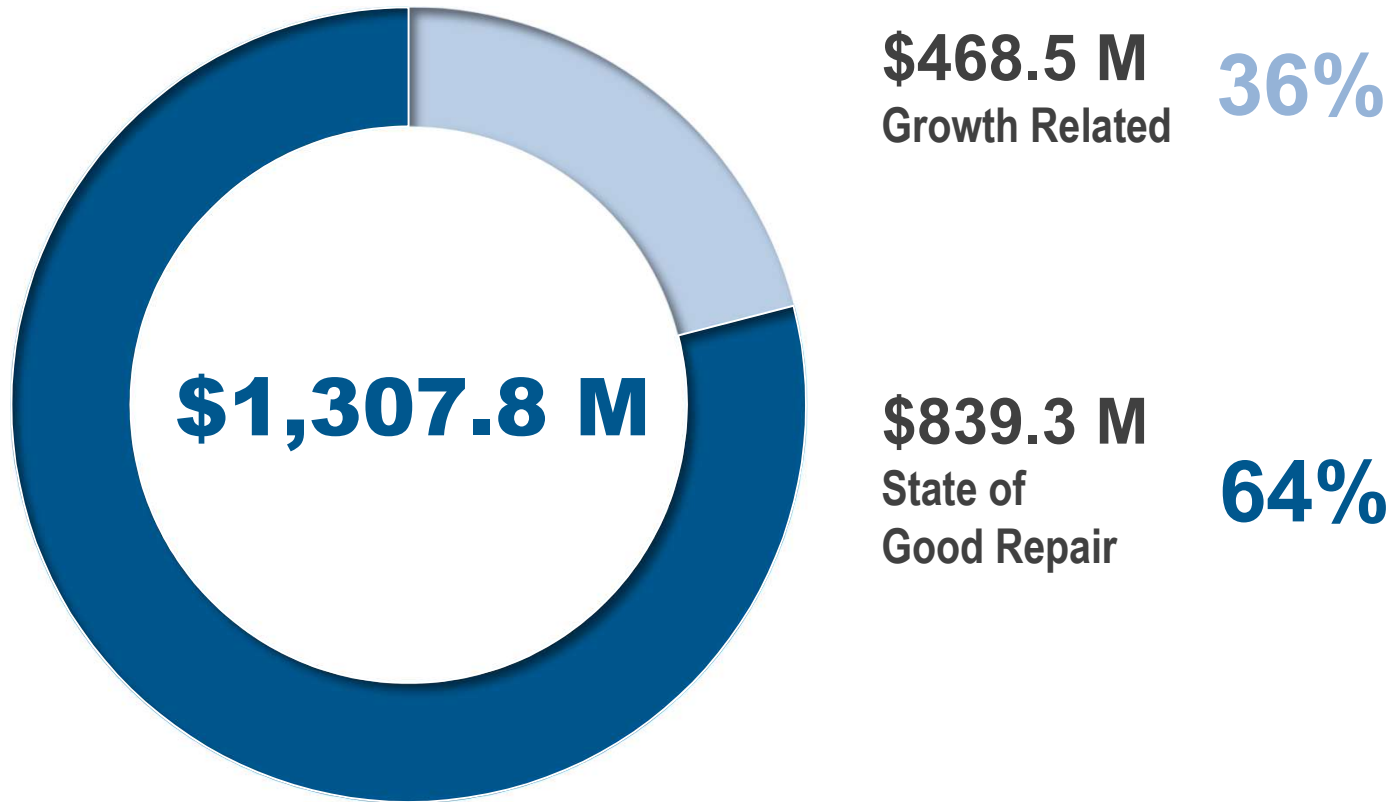
Forecasted Levy Increases

	2022	2023	2024	2025
Capital Levy Increase dedicated to rehab of existing Assets	0.50%	0.50%	0.50%	0.50%
Additional Capital Levy Impact:				
Capital Levy Increase for ICIP - Transit Stream (City Share - debt)	0.11%	0.00%	0.01%	0.00%
Capital Levy Increase for West Harbour MP increase (debt)	0.04%	0.07%	0.19%	0.01%
Capital Levy Increase for DC Exemption Funding increase	0.00%	0.00%	0.00%	0.00%
Total Levy Impact	0.65%	0.57%	0.70%	0.51%

2022-2025 Gross Capital Funding



2022-2025 Gross Capital



2023-2025 Major Investments

Transit Services

- HSR Bus Expansion Program - 10 Year Plan - **\$16M**
- HSR Expansion Buses - Modal Split - **\$23M**
- HSR Bus Replacement Program - **\$44M**

Growth Management

- Garner Road – Hwy 2/Wilson to Fiddlers Green (AEGD) - **\$20M**
- Arterial Road 1N Oversizing (AEGD) - Glancaster Road to Dickenson Road - **\$13M**

2023-2025 Major Investments

Recreation

- Waterdown Pool and Recreation Centre Feasibility - **\$24M**
- Riverdale Community Hub - **\$19M**
- Winona Recreation Centre Feasibility - **\$27M**

Library

- Mount Hope Library Expansion - **\$6M**
- East Hamilton Replace & Expand - **\$9M**
- Downtown Stoney Creek - **\$9M**

Parks

- Sam Lawrence Park - **\$10M**
- Confederation Park Redevelopment - **\$6M**

Next Steps

ITEM	DATE
GIC – 2022 Tax Capital Budget	December 2 nd (if required)
Council – Tax Capital Budget approval	December 15 th



THANK YOU