



 Watson
& Associates
ECONOMISTS LTD.

City of Hamilton 2022 Community Benefits Charge

D.C. Stakeholder Sub-Committee

April 12, 2022

Agenda – Community Benefits Charge (C.B.C.)



- Growth Forecast Update
- Land Valuation
- Capital Summary
- Calculated C.B.C. Rate
- Capital Priorities
- Study Schedule
- Questions



Growth Forecast

City of Hamilton 2022 C.B.C. Strategy



Growth Forecast

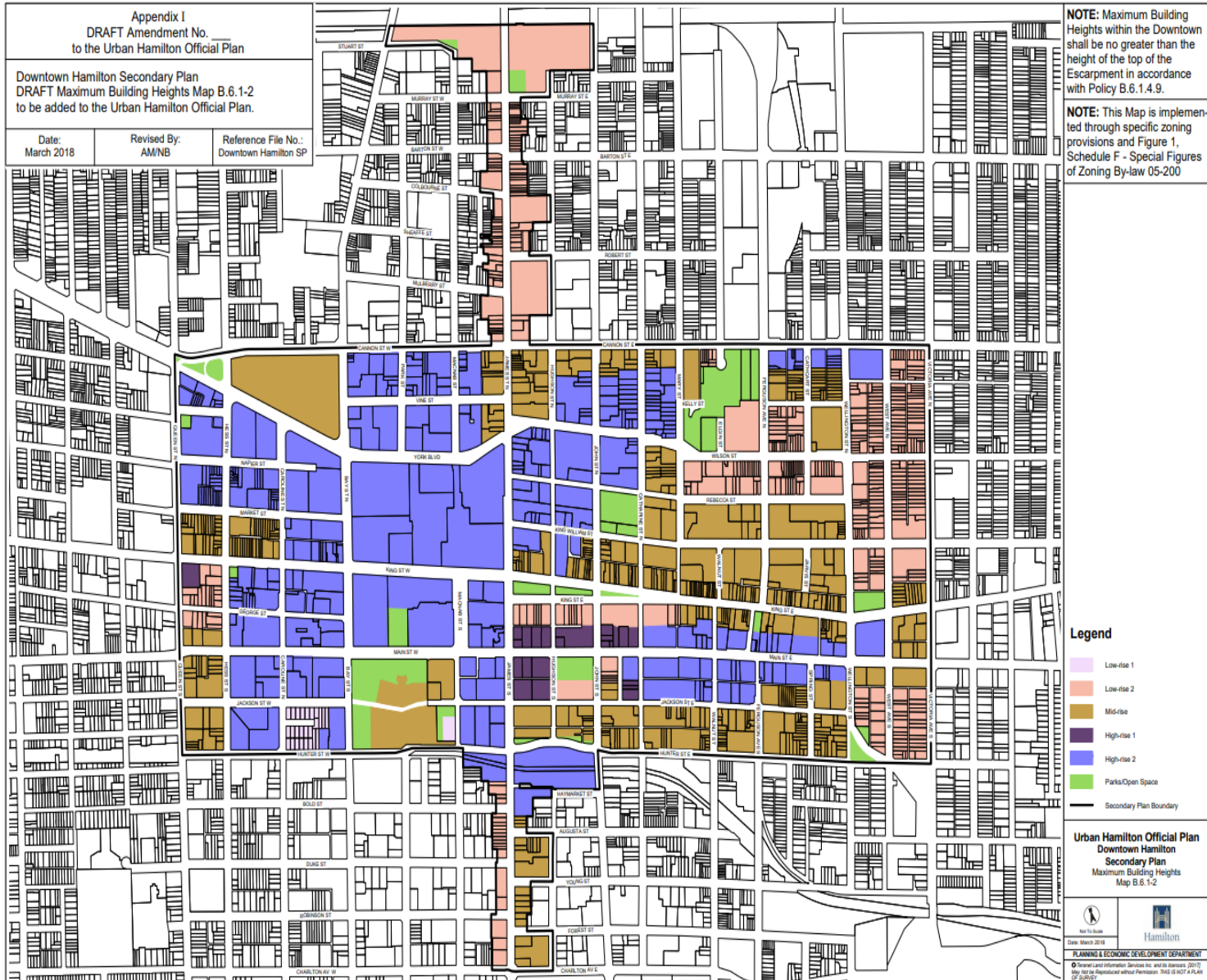
The C.B.C. Growth Forecast for mid-2022 to mid-2032, has considered:

- The “No Urban Boundary Growth Scenario” as per GRIDS 2;
- Actual permits that have taken place between 2019-2021 to set a 2022 base year;
- Developments at various stages of the planning process anticipated to take place in the 10-year forecast period (i.e. registered, draft approved, pending); and
- Developments in the planning process by area of the city (i.e. based on former municipal boundaries and development within and outside of the Downtown Secondary Plan for lower Hamilton).

Growth Forecast – Breakdown by Area



Growth Forecast – Downtown Secondary Plan



Growth Forecast – Residential



Development Location	Timing	Single & Semi Detached	Multiples ^[1]	Apartments ^[2]			Total Residential Units	Gross Population In New Units	Existing Unit Population Change	Net Population Increase, Excluding Institutional	Institutional Population	Net Population Including Institutional
				Units in C.B.C. Ineligible	Units in C.B.C. Eligible	Total Apartment Units						
Ancaster	mid 2022 - mid 2032	656	566	471	0	471	1,693	4,309	(481)	3,828	88	3,916
Dundas	mid 2022 - mid 2032	46	61	0	253	253	360	711	(288)	423	53	476
Flamborough	mid 2022 - mid 2032	854	975	2,646	307	2,953	4,782	9,989	(506)	9,483	93	9,576
Sub-Total Ancaster, Dundas & Flamborough	mid 2022 - mid 2032	1,556	1,602	3,117	560	3,677	6,835	15,009	(1,275)	13,734	234	13,968
Glanbrook	mid 2022 - mid 2032	2,030	1,749	197	0	197	3,976	11,268	(354)	10,914	65	10,979
Upper Hamilton	mid 2022 - mid 2032	1,230	1,188	1,890	3,889	5,779	8,197	16,375	(1,816)	14,559	332	14,891
Stoney Creek	mid 2022 - mid 2032	843	1,658	1,534	2,837	4,371	6,872	13,863	(824)	13,039	151	13,190
Sub-Total Glanbrook, Stoney Creek and Upper Hamilton	mid 2022 - mid 2032	4,103	4,595	3,621	6,726	10,347	19,045	41,506	(2,994)	38,512	548	39,060
Lower Hamilton (inside Downtown Secondary Plan)	mid 2022 - mid 2032	2	3	14	3,235	3,249	3,254	5,323	(577)	4,746	23	4,769
Lower Hamilton (outside Downtown Secondary Plan)	mid 2022 - mid 2032	312	612	2,652	1,010	3,662	4,586	8,468	(1,519)	6,949	360	7,309
Sub-Total Lower Hamilton	mid 2022 - mid 2032	314	615	2,666	4,245	6,911	7,840	13,791	(2,096)	11,695	383	12,078
City of Hamilton	mid 2022 - mid 2032	5,973	6,812	9,404	11,531	20,935	33,720	70,306	(6,365)	63,941	1,165	65,106

Derived from City of Hamilton No Urban Boundary Expansion Scenario (September, 2021) forecast for the City of Hamilton and discussions with municipal staff regarding servicing and land supply by Watson & Associates Economists Ltd., 2022.

^[1] Includes townhouses and apartments in duplexes.

^[2] Includes accessory apartments, bachelor, 1-bedroom and 2-bedroom+ apartments.

Note: Numbers may not add to totals due to rounding.

Growth Forecast - C.B.C. Eligible Growth Breakdown



- Based on applications in the planning process, approximately 55% of all apartment units will be in buildings that have a minimum of 5 storeys and minimum of 10 residential units.
- Therefore, of the 20,935 apartment units identified for the growth forecast period from mid-2022 to mid-2032, 11,531 units would be eligible for recovery of a C.B.C.
- Based on the eligible units in the planning process, the following provides a breakdown of the anticipated location of the eligible units:

Area	C.B. C. Eligible Units			
	Registered	Draft Approved	Pending	Total
Ancaster	-	-	-	-
Dundas	-	132	121	253
Flamborough	-	233	74	307
Glanbrook	-	-	-	-
Upper Hamilton	-	1,462	2,427	3,889
Stoney Creek	1,023	367	1,447	2,837
Lower Hamilton (Inside the Downtown Secondary Plan Area):				
Mid-Rise (5-15 Storeys)	-	40	-	40
High-Rise (Over 15 Storeys)	-	764	2,431	3,195
Lower Hamilton (Outside the Downtown Secondary Plan Area)	-	885	125	1,010
Total	1,023	3,883	6,625	11,531



Land Valuation

City of Hamilton 2022 C.B.C. Strategy

Land Valuation



As the C.B.C. rate is applied against the value of land the day before a building permit is issued, average land values are required to be assessed in various locations throughout the City where development and redevelopment is anticipated. These land values assist in calculating the eligible C.B.C. rate (up to a maximum of 4%). As such, the City's realty staff provided input into the analysis.

- The average land valuations have been provided by location, based on the appraisal assessment and an average value per acre is calculated.
- The growth forecast has also been provided by location to coincide with the land appraisal assessment.
- The high-density lands were based on lands permitted to be developed into buildings with five storeys or more and a minimum of 10 residential units.

Land Valuation by Location



Area	Total C.B.C. Eligible Units	Average Land Value Per Acre	Average Units Per Acre	Estimated Total Acres	Total Land Value
Ancaster	-	\$5,000,000	130	-	\$0
Dundas	253	\$5,000,000	130	2.0	\$9,753,000
Flamborough	307	\$5,000,000	130	2.4	\$11,834,000
Glanbrook	-	\$3,000,000	150	-	\$0
Upper Hamilton	3,889	\$3,000,000	150	25.9	\$77,780,000
Stoney Creek	2,837	\$3,000,000	150	18.9	\$56,740,000
Lower Hamilton (Inside the Downtown Secondary Plan Area):					
Mid-Rise (5-15 Storeys)	40	\$8,000,000	510	0.1	\$628,000
High-Rise (Over 15 Storeys)	3,195	\$13,500,000	570	5.6	\$75,671,000
Lower Hamilton (Outside the Downtown Secondary Plan Area)	1,010	\$8,000,000	280	3.6	\$28,857,000
Total	11,531			58.4	\$261,263,000



Capital Summary

City of Hamilton 2022 C.B.C. Strategy

Summary of Growth Capital Costs



Services	Gross Cost	Benefit to Existing Deduction	Grants, Subsidies & Other Contributions	Net Growth-Related Costs	C.B.C. Eligible Costs
D.C. Services Becoming Ineligible:					
Municipal Parking	65,447,500	37,892,500	156,000	27,399,000	5,168,821
Airport Services	27,380,000	6,020,000	-	21,360,000	4,029,564
Growth Studies	9,562,500	2,734,100	-	6,828,400	1,288,178
Total DC Services Becoming Ineligible	102,390,000	46,646,600	156,000	55,587,400	10,486,563
Other Capital Needs (based on 2022 Capital Plan):					
CBC Strategies	450,000	-	-	450,000	450,000
Landfill Services	25,349,000	6,290,900	6,539,900	12,518,200	2,800,134
Cultural Services	27,328,500	19,285,500	1,124,640	6,918,360	1,771,273
Public Realm Initiatives	198,450	178,600	-	19,850	3,745
Corporate Initiatives	900,000	810,000	-	90,000	16,979
Information Technology	3,160,000	2,844,000	-	316,000	59,613
Council Initiatives	400,000	360,000	-	40,000	7,546
Total Other Potential Capital	57,785,950	29,769,000	7,664,540	20,352,410	5,109,289
Total Potential Capital Program	160,175,950	76,415,600	7,820,540	75,939,810	15,595,852

Calculated C.B.C. Rate



As per the Planning Act, the maximum a municipality can impose for a C.B.C. is equal to 4% of the land value of a property, the day before building permit issuance. Based on the total land value, the estimated potential C.B.C. recovery for the City equates to just over \$10.45 million for the 10-year forecast period .

Total Potential Capital Program - C.B.C. Eligible Costs	\$15,595,852
Total Land Valuation (10-Year Forecast)	\$261,263,000
Percentage of Land Value Required to fund the C.B.C. Eligible Costs	6%
Legislative Maximum C.B.C. Percentage of Land Value	4%
Total Land Valuation (10-Year Forecast)	\$261,263,000
Maximum Eligible Amount based on Total Land Valuation	\$10,450,520
Amount In Excess of Maximum Eligible Amount	\$5,145,332

Capital Priorities



The City has identified capital costs attributable to eligible high-density growth in the amount of \$15.6 million, which is well in excess of the maximum allowable amount of approximately \$10.45 million.

The City's growth-related capital needs provide that the maximum C.B.C. of 4% should be considered for imposition on eligible forms of development. However, the available C.B.C. funding will not be sufficient to fund all the growth-related capital projects identified.



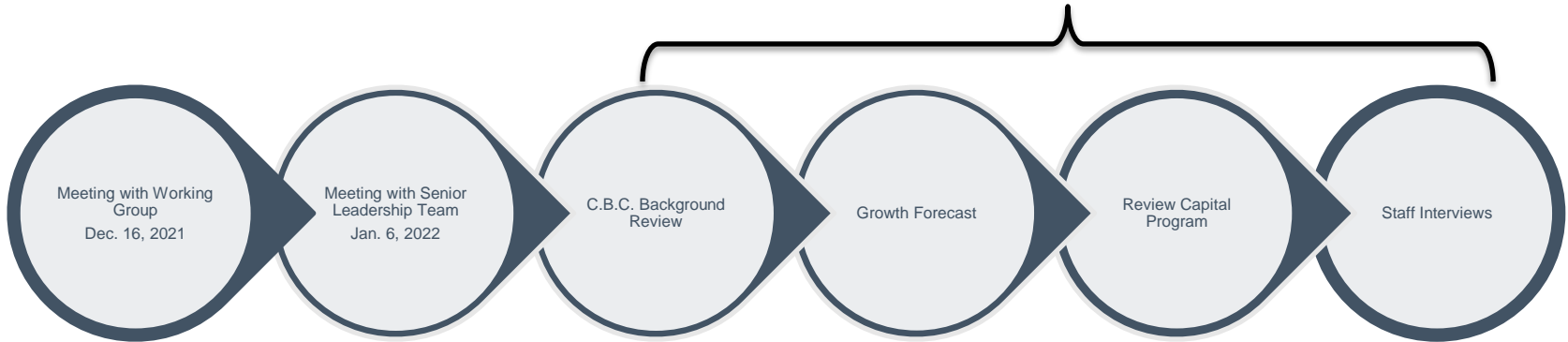
Study Schedule

City of Hamilton 2022 C.B.C. Strategy

Timelines



Jan. – Mar. 2022





Questions?