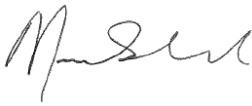




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	November 16, 2023
SUBJECT/REPORT NO:	Barton Village Business Improvement Area Amendment to Schedule of Payments (PED23203) (Wards 2 and 3) - REVISED
WARD(S) AFFECTED:	Wards 2 and 3
PREPARED BY:	Cristina Geissler (905) 546-2424 Ext. 2632
SUBMITTED BY:	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION

- (a) That the 2/3 Business Improvement Area levy reduction, provided to 286 Sanford Avenue North, 20 Myler Street, 30 Milton Avenue, and 42 Westinghouse Avenue be gradually phased-out over a three-year period starting in 2024 as follows:
60% of the current value assessment in 2024, 80% of the current value assessment in 2025 and 100% of the current value assessment in 2026;
- (b) That By-Law 98-15 Concerning Benefits Derived from the Establishment of the Barton Village Business Improvement Area respecting Westinghouse Canada Inc.'s facilities at 29 Princess Street, 286 Sanford Avenue North, 30 Milton Avenue and 42 Westinghouse Avenue and the levying of a special charge for the Barton Village Business Improvement Area attached as Appendix "B" to Report PED23203 be amended in accordance with recommendation (a).

EXECUTIVE SUMMARY

On November 30, 2022 (GIC Report 22-022) Council approved the 2023 Operating Budget for the Barton Village Business Improvement Area, attached as Appendix "A" to Report PED22204, in the amount of \$176,200 of which \$95,000 correspond to the levy portion of the budget.

SUBJECT: Barton Village Business Improvement Area Amendment to Schedule of Payments (PED23203) (Wards 2 and 3) - Page 2 of 4

On February 1, 2023, the Barton Village Business Improvement Area Board of Management voted to gradually increase the levy of the Westinghouse HQ (286 Sanford Avenue North, 20 Myler Street, 30 Milton Avenue, and 42 Westinghouse Avenue) from 1/3 to 100% of the properties assessed value now that each property is eligible for full occupancy by 2026.

The assessment base will increase from the existing one third the current assessment value to 60% in 2024, then increase 80% in 2025 and final increase to 100% in 2026.

Following the decision of the Barton Village Business Improvement Area Board of Management, Report PED23203 is recommending that the levy reduction be eliminated gradually starting in 2024.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Overall there is no change in the 2023 approved Budget/Levy. By eliminating the 2/3 reduction, it increases the weighted assessment with the Barton Village Business Improvement Area, and therefore results in a lower Business Improvement Area tax rate than what would have been calculated had the 2/3 reduction remained. This graduated adjustment in levy would start in 2024 and be at 100% over the next three years (2026).

Staffing: Not applicable.

Legal: Staff is recommending that By-law 98-15 be phased out over the next three years.

HISTORICAL BACKGROUND

On February 1, 2023, the Barton Village Business Improvement Area Board of Management voted to gradually increase the levy of 286 Sanford Avenue North, 20 Myler Street, 30 Milton Avenue, and 42 Westinghouse Avenue from 1/3 to 100% of the property assessed levy now that each property is eligible for full occupancy by 2026.

- Increase to 60% in 2024;
- Increase to 80% in 2025; and,
- Increase to 100% in 2026.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

OUR Vision: To be the best place to raise a child and age successfully.
OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.
OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Barton Village Business Improvement Area Amendment to Schedule of Payments (PED23203) (Wards 2 and 3) - Page 3 of 4

Not Applicable.

RELEVANT CONSULTATION

- Corporate Taxation.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

In arriving at the Business Improvement Area tax rate for each respective Business Improvement Area, Tax Policy staff use the weighted commercial/industrial assessment within each respective Business Improvement Area. The higher the weighted assessment (leaving the Business Improvement Area levy unchanged) the lower the Business Improvement Area tax rate.

For the Barton Village Business Improvement Area one-third of the assessment for the properties in question is used to determine the weighted assessment which results in a BIA tax rate higher than it would have been if the reduction was not in place, for all properties within the Barton Village Business Improvement Area.

If the two-thirds reduction is removed, the current property receiving the reduction would be subject to the full Business Improvement Area levy, but all properties within the respective Business Improvement Area would benefit by including their full assessment in the Business Improvement Area tax rate calculation, thereby reducing the Business Improvement Area tax rate for all properties within the Business Improvement Area.

The Special Charge is no longer applicable as the property is at full occupancy. To minimize the impact to the property owner the decision by the Barton Village Board of Management was to gradually increase their levy contribution over the next 3 years.

Overall, there is no change in the 2023 approved Budget/Levy. By eliminating the two-thirds reduction, it increases the weighted assessment with the Barton Village Business Improvement Area and therefore results in a lower Business Improvement Area tax rate than what would have been calculated had the 2/3 reduction remained. These adjustments would start to be applicable for 2024, completing to 100% by 2026.

ALTERNATIVES FOR CONSIDERATION

Not applicable.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED23203 - Barton Village Business Improvement Area Budget
Appendix "B" to Report PED23203 - By-Law 98-15 Concerning Benefits Derived from the Establishment of the Barton Village Business Improvement Area respecting Westinghouse Canada Inc.'s facilities at 29 Princess Street, 286

SUBJECT: Barton Village Business Improvement Area Amendment to Schedule of Payments (PED23203) (Wards 2 and 3) - Page 4 of 4

Sanford Avenue North, 30 Milton Avenue and 42 Westinghouse Avenue and the levying of a special charge

Appendix "C" to Report PED23203 - Finance Explanation of Special Levy Charge