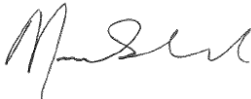




**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	November 16, 2023
<b>SUBJECT/REPORT NO:</b>	Downtown Hamilton Business Improvement Area Amendment to Schedule of Payments (PED23202) (Ward 2) - REVISED
<b>WARD(S) AFFECTED:</b>	Ward 2
<b>PREPARED BY:</b>	Cristina Geissler (905) 546-2424 Ext. 2632
<b>SUBMITTED BY:</b>	Norm Schleeahn Director, Economic Development Planning and Economic Development Department
<b>SIGNATURE:</b>	

### RECOMMENDATION

- (a) That the Business Improvement Area levy reduction, provided to Royal Connaught (110, 114, 116, 118, 120 and 122 King Street East) and the former Holiday Inn (130-150 King Street East) be eliminated in 2024;
- (b) That By-Law 97-091 The Levy of a Special Charge In Respect of: The Downtown Hamilton Business Improvement Area attached as Appendix "A" to Report PED23202 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 Downtown Hamilton Business Improvement Area, attached as Appendix "B" to Report PED22204, in the amount of \$490K of which \$425K correspond to the levy portion of the budget.

On February 15, 2023, the Downtown Hamilton Business Improvement Area Board of Management voted to increase the levy of the Royal Connaught (110, 114, 116, 118, 120 and 122 King Street East) and the former Holiday Inn (130-150 King Street East) from 1/3 to 100% of the properties assessed value now that each property is eligible for full occupancy.

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Schedule of Payments (PED23202) (Ward 2) - Page 2 of 3**

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Following the decision of the Downtown Hamilton Business Improvement Area Board of Management, Report PED23202 is recommending that the levy reduction be eliminated in 2024.

**Alternatives for Consideration – Not Applicable**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: Overall there is no change in the 2023 approved Budget/Levy. By eliminating the 2/3 reduction, the weighted assessment of the Downtown Business Improvement Area is increased which results in a lower Business Improvement Area tax rate than what would have been calculated had the 2/3 reduction remained. This adjustment in the tax rate would be applicable for 2024.

Staffing: Not applicable.

Legal: Staff is recommending that By-law 97-091 be revoked.

**HISTORICAL BACKGROUND**

By-Law 97-091 passed on April 27, 1997, authorized that only 1/3 of the assessment value of the properties located in The Royal Connaught be used to calculate the Downtown Business Improvement Area rate and that this rate be applied to the 1/3 of the assessment of the mentioned properties. This reduction was approved due to the property being at reduced capacity due to construction.

On February 15, 2023, the Downtown Hamilton Business Improvement Area Board of Management voted to increase the rateable assessment of 110, 114, 116, 118, 120, 122 and 130-150 King Street East from 1/3 to 100% of the properties assessed value now that these properties are eligible for full occupancy.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

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, Finance 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 Downtown Hamilton Business Improvement Area only 1/3 of the assessment of the properties located in the Royal Connaught are used to determine the weighted assessment, which results in a Business Improvement Area tax rate higher than it would have been if the reduction was not in place, for all properties within the Downtown Business Improvement Area. This tax rate is applied to the 1/3 of the assessment of the properties in question, which results in a benefit to these properties that is passed on to the other properties within the Downtown Business Improvement Area.

If the 2/3 reduction is removed, the current property receiving the reduction would be subject to Business Improvement Area levy based on the full assessment value. Also, by eliminating the 2/3 reduction, the weighted assessment of the Downtown Business Improvement Area increases which results in a lower Business Improvement Area tax rate than what would have been calculated had the 2/3 reduction remained. This adjustment in the tax rate would be applicable for 2024.

Staff is recommending that the reduction be eliminated as the property is at full occupancy.

Overall, there is no change in the 2023 approved Budget/Levy.

## **ALTERNATIVES FOR CONSIDERATION**

Not Applicable.

## **APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report PED23202 - By-Law 97-091 The Levy of a Special Charge In  
Respect of: The Downtown Hamilton Business  
Improvement Area

Appendix "B" to Report PED23202 - 2023 Downtown Hamilton Business Improvement  
Area Budget

Appendix "C" to Report PED23202 - Finance Explanation of Special Levy Charge