



Hamilton

AREA RATING – TRANSIT

**TRANSIT AREA RATING
SUBCOMMITTEE**

APRIL 11, 2024

At the March 27, 2019 meeting, City Council approved the following Motion:

A System-Wide Approach to Public Transit (Item 7.1)

(c) That staff be directed to report back to the Transit Area Rating Review Sub-Committee with an area rating analysis for transit for the 2020 Operating budget process, with respect to a public transit system that supports a system-wide approach, with that report to include enhanced service levels that align with the overall City Transit Strategy; and,

(d) That staff be directed to review the possibility of the area rating net benefit to Wards 1 to 8 being used for public transit city-wide and report to the Transit Area Rating Review Sub-Committee.

Current Status

- The Subcommittee met in February of 2020
- Staff presentation on status of Re-envision, methodology of transit area rating and alternatives
- No further action has been taken



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AREA RATING

Area Rating - Definition

- Area rating is intended to account for either significant differentials in service levels or costs of providing services between different parts of the City
- If a service is not provided in an specific area of the City, property owners in that area will not be taxed for that service
- The result of area rating is that tax rates vary depending on the area of the City and the level of service offered by the City

- Over a number of years, Council led an intensive review and consultation process to look at area rating options:
 - Area Rating Subcommittee
 - In 2009, staff submitted recommendation to move to urban/rural area rates
 - Citizens' Forum

- In 2011, the City implemented an urban and rural model that aligns to the transit service area
- Properties within the transit service area are considered urban, while properties outside the transit service area are considered rural
 - Urban/Rural: Fire, Recreation, Streetlights/Sidewalks
 - By former Municipality: Transit, Sidewalk Snow & Parkland Purchases and Infrastructure Levy

- In 2022 the City started the phasing out the area rating of Recreation, Streetlights/Sidewalks and Parkland Purchases
- The area rating of Sidewalk Snow Removal was eliminated in 2023
- In 2023, the area rating of the Fire Service was updated to reflect the three levels of service: Full Time, Volunteer and Composite
- Special Infrastructure Levy and Transit remain unchanged



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TRANSIT AREA RATING

- Based on an urban/rural transit model to align with the Transit boundary
- Properties outside the Transit boundary do not pay for Transit
- Continue to be based on former area municipality's share of total transit service mileage
- The total levy for transit area rating excludes the budgets for DARTS Contract and Taxi Scrip and includes the capital financing portion allocated to Transit

City-wide and Municipal Average Transit rates & impacts

TAX YEAR = 2023

Municipality	Stoney Creek	Glanbrook	Ancaster	Hamilton	Dundas	Flamborough
Transit Splits	7.53%	2.63%	4.98%	81.23%	1.98%	1.66%
Transit Levy	5,766,327	2,014,774	3,812,860	62,243,313	1,517,436	1,273,776
Transit Rate	0.04%	0.05%	0.04%	0.13%	0.03%	0.02%
Average 1	\$ 156	\$ 200	\$ 151	\$ 484	\$ 130	\$ 88
Average 2	\$ 164	\$ 211	\$ 220	\$ 402	\$ 159	\$ 120

Average (1): Based on city-wide average assessment of \$385,000

Average (2) Based on average assessment by former municipality

Potential Alternatives

Option 1: Move Transit Budget to the General Levy

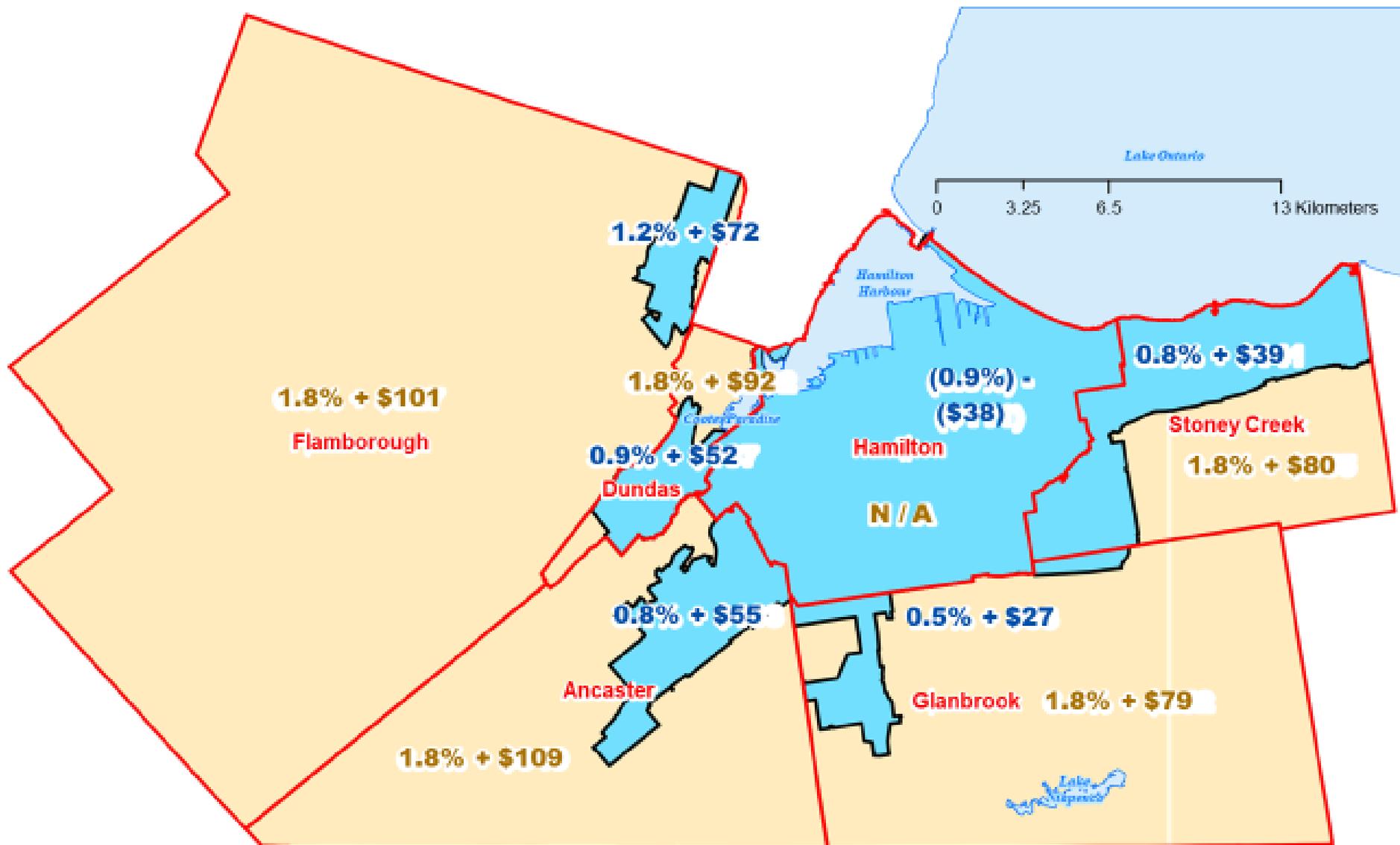
- Only one property tax rate regardless of the level of service received
- Rural areas of the City, which are currently exempt of the transit levy, would be charged the same rate as the urban areas
- Tax impacts assume a 4-year phase-out period and exclude reassessment, growth, budget and tax policies

Transit on General Levy Average Residential Impacts

- Former Municipality Boundary
- Transit / Urban Area
- No Transit / Rural Area

% +/- \$\$ Urban Tax Impact % and \$\$ by Municipality

% +/- \$\$ Rural Tax Impact % and \$\$ by Municipality



Tax Impacts

URBAN IMPACTS

	Tax Impact (%)	Tax Impact (\$)
Ward 1	-0.9%	\$ (48)
Ward 2	-0.9%	\$ (34)
Ward 3	-0.9%	\$ (27)
Ward 4	-0.9%	\$ (28)
Ward 5 - HM	-0.9%	\$ (43)
Ward 5 - SC	0.8%	\$ 29
Ward 6	-0.9%	\$ (39)
Ward 7	-0.9%	\$ (40)
Ward 8	-0.9%	\$ (44)
Ward 9 - HM	-0.9%	\$ (0)
Ward 9 - SC	0.8%	\$ 54
Ward 9 - GL	0.5%	\$ 29
Ward 10 - HM	-0.9%	\$ (49)
Ward 10 - SC	0.8%	\$ 67
Ward 11 - GL	0.5%	\$ 27
Ward 12 - AN	0.8%	\$ 55
Ward 12 - FL	0.8%	\$ 55
Ward 13 - DN	0.9%	\$ 52
Ward 13 - FL	1.2%	\$ 77
Ward 14 - HM	-0.9%	\$ (47)
Ward 14 - AN	0.8%	\$ 68
Ward 14 - GL	0.5%	\$ 29
Ward 15 - FL	1.2%	\$ 73

RURAL IMPACTS

	Tax Impact (%)	Tax Impact (\$)
Ward 1	-	-
Ward 2	-	-
Ward 3	-	-
Ward 4	-	-
Ward 5 - HM	-	-
Ward 5 - SC	-	-
Ward 6	-	-
Ward 7	-	-
Ward 8	-	-
Ward 9 - HM	-	-
Ward 9 - SC	1.8%	\$ 112
Ward 9 - GL	1.8%	\$ 86
Ward 10 - HM	-	-
Ward 10 - SC	-	-
Ward 11 - GL	1.8%	\$ 78
Ward 12 - AN	1.8%	\$ 110
Ward 12 - FL	1.8%	\$ 88
Ward 13 - DN	1.8%	\$ 92
Ward 13 - FL	1.8%	\$ 108
Ward 14 - HM	-	-
Ward 14 - AN	-	-
Ward 14 - GL	-	-
Ward 15 - FL	1.8%	\$ 103

Option 2: Urban / Rural Model

- Assumes that the urban areas of the City would be levied equally for Transit Service and use the same tax rate regardless of the level of service
- Rural areas of the City continue to be exempt
- Tax impacts assume a 4-year phase-out period and exclude reassessment, growth, budget and tax policies

Urban / Rural Transit Average Residential Impacts

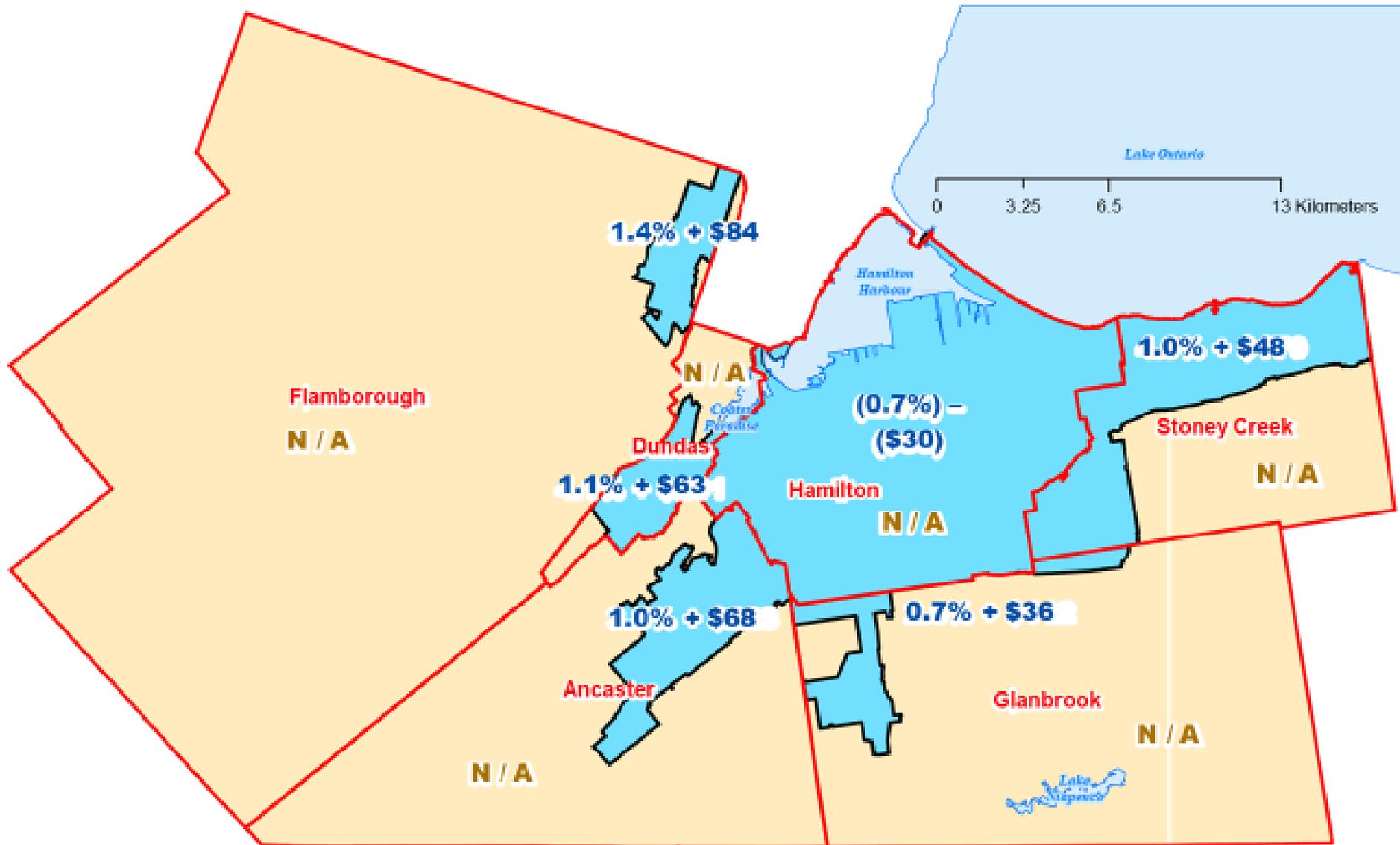
 Former Municipality Boundary

 Transit / Urban Area

 No Transit / Rural Area

% +/- \$\$ Urban Tax Impact % and \$\$ by Municipality

% +/- \$\$ Rural Tax Impact % and \$\$ by Municipality



Tax Impacts

	Tax Impact (%)	Tax Impact (\$)
Ward 1	-0.7%	\$ (39)
Ward 2	-0.7%	\$ (28)
Ward 3	-0.7%	\$ (22)
Ward 4	-0.7%	\$ (23)
Ward 5 - HM	-0.7%	\$ (34)
Ward 5 - SC	1.0%	\$ 36
Ward 6	-0.7%	\$ (32)
Ward 7	-0.7%	\$ (32)
Ward 8	-0.7%	\$ (35)
Ward 9 - HM	-0.7%	\$ (0)
Ward 9 - SC	1.0%	\$ 68
Ward 9 - GL	0.7%	\$ 39
Ward 10 - HM	-0.7%	\$ (39)
Ward 10 - SC	1.0%	\$ 83
Ward 11 - GL	0.7%	\$ 36
Ward 12 - AN	1.0%	\$ 68
Ward 12 - FL	1.0%	\$ 68
Ward 13 - DN	1.1%	\$ 63
Ward 13 - FL	1.4%	\$ 89
Ward 14 - HM	-0.7%	\$ (38)
Ward 14 - AN	1.0%	\$ 84
Ward 14 - GL	0.7%	\$ 39
Ward 15 - FL	1.4%	\$ 85



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THANK YOU