

Recommended Non-Residential Stormwater Credit Program

The recommended credit program will consist of three streams for industrial, commercial, institutional (ICI), agricultural and multi-residential properties (with greater than six units). It is important to note that property owners will only be eligible for one stream of the program such that stacking of credit streams will not be permitted. The development of the credit program took feedback from the stakeholder engagement into consideration, included an assessment of a variety of stormwater incentive programs utilized by different municipalities in Ontario, and developed a unique “made in Hamilton” stormwater credit program. The three streams that are recommended have been assessed for alignment against the Guiding Principles as outlined in Table 13 of Appendix “D” to Report FCS22043(c).

The recommended credit program will consist of three streams as noted below:

Green Space Credit

The Green Space credit stream will take into consideration the pervious to impervious ratio of a property. Applying the Green Space credit reduces base stormwater charges based on the ratio of hard surface to the total softscape of the property. No application process will be required for this credit stream, staff will automatically assess non-residential properties for Green Space credit eligibility prior to implementation of the approved Stormwater Rate Structure. Properties that could potentially benefit from this credit include farms, parks, schools, golf courses, cemeteries, and other non-residential properties with large amounts of pervious surfaces.

With the Green Space credit, staff are proposing that properties would be automatically enrolled into the credit stream with no application needed on the part of the property owner, and the credit would only be available to properties with no direct stormwater connection to City infrastructure and that only contribute stormwater overland flow via green space (meaning all run-off from non-residential impervious areas drains to green space). Staff will use aerial photography to calculate a properties’ proposed credit which will be applied when the approved Stormwater Rate Structure comes into effect in 2026. Properties will only be eligible for one stream of the stormwater credit program, with the Green Space credit being the most advantageous for nearly all of those who would qualify. The Green Space credit calculation will only apply to the non-residential impervious area. Those properties that also include residential dwelling units will still be charged the Single Family Unit (SFU) rate per residential property.

The below example assumes the annual 2026 SFU or “billing unit” will be equal to \$170. As a reminder, all single residential properties in Hamilton, regardless of location, will be charged one billing unit under the new stormwater fee structure. The 2026 rate will be finalized by Council in late 2025.

Rate Calculation

$(\# \text{ of residential dwellings} \times \$170) + \# \text{ non-res billing units} \times \$170 \times (\% \text{ imperviousness of property} / \% \text{ imp of avg SFD}) \times (\text{run-off coefficient of green space} / \text{run-off coefficient of avg SFD})$

Note:

- % of imperviousness of the property is unique to each property
- % of impervious area of the average Single Family Dwelling (SFD) = 60%
- run-off coefficient of green space = 0.10
- run-off coefficient of avg SFD = 0.60

Using the Agricultural property from Table 1 as an example, the calculation follows.
Annual Rate: = $(3 \times \$170) + 126.9 \text{ billing units} \times \$170 \times (6.8\% / 60\%) \times (0.1 / 0.6) = \915

Table 1

Ex. Ag Property	
Property size (acres)	135
Impervious area (m ²)	36,928
# residential units	3
Total # billing units	129.9
Imperviousness of the property	6.8%
Credit Stream Type – Green Space Credit	Proposed Annual Rate
Base Fee with no credit *	\$22,082
Fee with Green Space Credit applied *	\$915
% of GS credit	96%

*Assumes the annual SFU will be equal to \$170 in year 1

During implementation phase for the approved Stormwater Rate Structure AECOM will be assessing each non-residential property individually to measure the non-impervious area to be used in the calculation of the property’s stormwater fee. AECOM will be using new advanced technology to assess the non-residential rural properties which will be more capable of accurately distinguishing building shadows, patches of dirt, and other pervious areas, as these are the properties that will be automatically enrolled in the Green Space credit if all conditions are satisfied.

Hamilton Harbour Discharge Credit

The Hamilton Harbour Discharge credit stream will take into consideration properties that are adjacent to Hamilton Harbour and have approvals to discharge stormwater directly to the Harbour. Applying the Hamilton Harbour Discharge credit potentially reduces base stormwater charges by up to 90% for non-residential properties that can demonstrate the use of private pipelines, channels, or other flow routes, to convey

stormwater to Hamilton Harbour, subject to an Environmental Compliance Approval issued by the Ministry of the Environment Conservation and Parks or an approval from the higher level of Government. Staff recognize that these properties discharge directly to the harbour, however they are still adjacent to City streets or catch basins which need to be maintained and have fixed costs associated with their operations. As a result staff are proposing that the Hamilton Harbour Discharge credit have a maximum cap of 90%.

An application process will be implemented to ensure property owners provide documentation that demonstrates that stormwater collected on private property does not enter the City’s natural or engineered stormwater system. Applications for these credits will need to include:

- An application form with basic information (property address, owner, contact name etc.), permission for the City to enter the property to inspect, and a declaration that the provided information is true
- Copy of the Ministry of the Environment, Conservation and Parks approvals, where applicable
- Drawings that show the on-site storm sewer system, location of discharge to the harbour, property catchments and the amount of property that drains to the harbour
- Calculations that show the percentage of impervious area that drains directly to the harbour

The intention is for this credit to operate on a sliding scale. For example, if the property owner demonstrates 50% of stormwater is discharged to Hamilton Harbour the stormwater credit would be a reduction of 45% of the calculated base stormwater charge (90% maximum credit X 50% discharged to Hamilton Harbour = 45% credit).

It is recommended that property owners be required to renew their credit every five years to demonstrate that the on-site system is still in place and being maintained. Properties that could potentially benefit from this credit includes industrial properties along the waterfront including Port Authority lands.

Table 2

	Harbour Front Property
Property size (acres)	51.8
Impervious area (m ²)	154,154
Total # billing units	529.7
Credit Stream Type – Hamilton Harbour Discharge Credit	Proposed Annual Rate
Base Fee with no credit *	\$90,056
Fee with 90% Hamilton Harbour Discharge Credit applied *	\$9,006

Table 2 illustrates the annual stormwater fee for a Harbour Front property that can prove 100% of their stormwater runoff discharges to Hamilton Harbour.

Stormwater Management Infrastructure Credit

Property owners who do not qualify for the automatic Green Space credit or the Hamilton Harbour Discharge credit may apply for the Stormwater Management Infrastructure credit.

The Stormwater Management Infrastructure credit stream will take into consideration properties that operate infrastructure or implement processes that reduce the quantity or improve the quality of stormwater that runs off their property. Applying the Stormwater Management Infrastructure credit reduces base stormwater charges by up to 50% for non-residential properties that can demonstrate the existence and operation of infrastructure or implement processes that reduce the quantity or improve the quality of stormwater that runs off their property. Property owners must demonstrate that infrastructure is installed and maintained as required, and that processes remain in-place and are reviewed/improved when necessary. An application process will be implemented to ensure property owners provide documentation that demonstrates eligibility for this credit stream. The various eligibility criteria and associated credit are summarized in Table 3.

Table 3

Stormwater Objective	Max. Credit Amount (Max. 50%)	Description	Example Measures
Slow it down (peak flow reduction)	40%	Percent reduction of the 100-year storm post-development flow to pre-development conditions of the site.	Detention ponds, cisterns
Clean it up (water quality)	25%	Remove ammonia, sediment, and phosphorus. Remove 60% to 70% sediment (based on receiving waters).	Oil-grit separators, treatment facilities
Soak it up (volume reduction)	40%	Percent capture of first 28 mm of rainfall during a single rainfall event.	Infiltration facilities/rain gardens, re-use facilities, pervious pavers
Prevent it first (pollution prevention)	15%	Develop and implement a pollution prevention plan.	Salt management plan, pesticide/manure management, sweeping, spill response plan, public education etc.

Table 5 is an example of a multi-residential adult community comprised of 24 single family detached homes, 593 townhomes and a building with 42 dwelling units. The complex also has seven stormwater detention ponds and a total impervious area of 181,500 m². This property is eligible for the Stormwater Management Infrastructure credit and could receive up to a maximum 50% credit if the stormwater detention ponds control the 100-year post development flows to predevelopment levels (40% credit) as well as provide some sediment removal (10% credit).

Table 5

Multi-Residential Adult Community		
24 Single Family detached homes (1 billing unit each)	24.0	
593 townhomes (0.5 billing units each)	296.5	
1 multi- res building & associated hardscape (10,380 m ² /291 m ²)	35.7	
Total # billing units		356.2
Base Fee with no credit *		\$60,548
Fee with 50% credit for SW Infrastructure Credit*		\$30,274

Stormwater Credit Program Application Process

Staff intend to develop a stormwater credit program application guide and open the applications for those wishing to apply for the Hamilton Harbour Discharge or Stormwater Management Infrastructure credits in 2025. This will give property owners time to work with staff to complete the application process, submit supporting documentation, allow for site visits, and understand the terms and conditions of the credit program. Property owners will begin to receive the benefit of the credit program when implementation of the approved Stormwater Rate Structure occurs in April 2026. Re-application will be required at least every five years to ensure on-site stormwater measures are being maintained and in working order.

In all cases a satisfactory credit application will include a completed application form with supporting documentation. Some supporting documents demonstrating on-site best management practices or eligible activities may require preparation by a Professional Engineer registered in the Province of Ontario and qualified in municipal engineering and stormwater management.