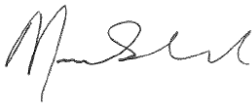




**CITY OF HAMILTON**  
**PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT**  
**Economic Development Division**

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	January 17, 2024
<b>SUBJECT/REPORT NO:</b>	Barton Village Business Improvement Area 2024 Proposed Budget and Schedule of Payments (PED24012) (Wards 2 and 3)
<b>WARD(S) AFFECTED:</b>	Wards 2 and 3
<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 2024 Operating Budget for the Barton Village Business Improvement Area, attached as Appendix “A” to Report PED24012, in the amount of \$220,000 be approved;
- (b) That the levy portion of the Operating Budget for the Barton Village Business Improvement Area in the amount of \$125,000 be approved;
- (c) That the General Manager of Finance and Corporate Services be hereby authorized and directed to prepare the requisite By-law pursuant to Section 208, *The Municipal Act, 2001*, to the levy portion of the 2024 Budget as referenced in Recommendation (b) of Report PED24012;
- (d) That the 2/3 Business Improvement Area levy reduction, previously 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:
  - (i) 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;

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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.

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(e) That the following schedule of payments for 2024 be approved:

- (i) February \$62,500;
- (ii) June \$62,500;

Note: Assessment appeals may be deducted from the levy payments.

### **EXECUTIVE SUMMARY**

This Report deals with the approval of the 2024 Budget and Schedule of Payments for the Barton Village Business Improvement Area.

Barton Village Business Improvement Area Board of Management, Report PED24012 is recommending that the levy reduction provided to the Westinghouse HQ (286 Sandford Avenue North, 20 Myler Street, 30 Milton Avenue, and 42 Westinghouse Avenue) be gradually increased over the next three years. The assessment base will increase from the existing 1/3 the current assessment value to 60% in 2024, then increase 80% in 2025 and final increase to 100% in 2026.

### **Alternatives for Consideration – Not Applicable**

### **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:** The \$125,000 is completely levied by the Business Improvement Area through its members. There is no cost to the City of Hamilton for any part of the Operating Budget.

Overall, there is no change in the 2023 approved Budget/Levy. By gradually eliminating the 2/3 reduction (the “**Reduced Assessment Properties**”), 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 phased in until at 100% over the next three years (2026).

**Staffing:** There are no staffing implications.

**Legal:** The *Municipal Act, 2001*, Section 205, Sub-section (2) dictates that City Council must approve Budgets of Business Improvement Areas.

## **HISTORICAL BACKGROUND**

At its Annual General Meeting on Monday November 27, 2023, the Downtown Barton Village Business Improvement Area Board of Management presented its proposed Budget for 2024.

The process followed to adopt the Barton Village Business Improvement Area Budget was in accordance with The *Municipal Act, 2001*, and the Business Improvement Area's Procedure By-law.

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 by 2026.

- (i) Increase to 60% in 2024;
- (ii) Increase to 80% in 2025; and,
- (iii) Increase to 100% in 2026.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Pursuant to Section 205(2) of the *Act*, the board of management of a Business Improvement Area must submit their proposed budget to council and the municipality may approve it in whole or in part.

Pursuant to Section 208 of the *Act*, the municipality shall raise the amount required for the purposes of the board of management and may establish a special charge for that purpose.

## **RELEVANT CONSULTATION**

- (i) Taxation, Corporate Services; and,
- (ii) Legal Services

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The levy reductions applicable to the Reduced Assessment Properties have been in place for years. More recently they were reviewed to determine whether there was any rationale to continue these reductions, and with no rationale to support the continued reduction, the Business Improvement Area approved the elimination of the reductions for 2024. The Business Improvement Area Board of Management determined that the

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best way to do so, without overly burdening the properties that benefitted from this reduction was for this levy reduction to be gradually phased out over the next three years.

In arriving at the Business Improvement Area tax rate for each rateable property within the Business Improvement Area, Finance staff use the weighted commercial/industrial assessment within each respective Business Improvement Area. While the Business Improvement Area levy amount of \$125,000 for 2024, remains unchanged, a higher weighted assessment results in a lower Business Improvement Area tax rate.

Historically, given the 2/3 reduction, only 1/3 of the assessment value of the Reduced Assessment Properties has been used to determine the weighted assessment and this results in a Business Improvement Area tax rate that is higher than it would have been if the reduction was not in place. This Business Improvement Area tax rate is applied to 1/3 of the assessed value of the Reduced Assessment Properties, which results in a benefit to these properties that is offset by the other properties within the Barton Village Business Improvement Area.

If the 2/3 reduction for the Reduced Assessment Properties is removed, every rateable property within the BIA would be subject to BIA Business Improvement Area levy based on the full assessment value of the property. Also, by gradually reducing the 2/3 reduction, the weighted assessment of the Barton Village 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 gradual adjustment in the tax rate would be applicable commencing in 2024.

Staff is recommending that the reduction be eliminated as the Reduced Assessment.

Overall, the elimination of the reduction for the Reduced Properties has no effect on the 2024 approved Budget or the levy portion of that Budget. By gradually 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. These adjustments would start to be applicable for 2024, completing to 100% by 2026.

## **ALTERNATIVES FOR CONSIDERATION**

N/A

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**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report PED24012 – 2024 Barton Village Business Improvement Area  
Budget.

CG/rb