

<b>TO:</b>	Council
<b>DATE:</b>	November 25, 2016
<b>SUBJECT:</b>	Special Capital Levy Considerations
<b>SUBMITTED BY:</b>	<p>Mike Kirkopoulos CAO</p> <p>Amanda Fyfe Director, Finance and Administration</p> <p>Angela Cifani Treasurer</p>

Council asked for a summary of special capital infrastructure levies. As per the previous email highlighting the infrastructure gap and just to give Council further information, the Association of Municipalities of Ontario describes infrastructure as follows – primarily the upgrading of existing facilities and assets and the replacement of aging bridges, roads, and water and wastewater facilities.

The Special levy approach has been used in Ontario for “marquee projects” like the \$110-million Economic Development Investment Fund approved by Kitchener in 2003 to transform its downtown around the innovation sectors. But, more recently, dedicated special levies have also been used to address long-term, ongoing infrastructure deficits.

Below is a chart based on reaching out to all the local area municipalities in Niagara. As you can see, of those reporting, approximately half have a levy of varying amounts.

Infrastructure Levy - Area Municipalities		
Municipality	Implementation Year	Annual Rate
Fort Erie	2013	2.0%
Port Colborne	2011	1%
St. Catharines	2016	1%
Wainfleet	2015	2%
Thorold		0%
Niagara Falls		0%
NOTL		0%
Pelham		0%

Furthermore, our research shows that Mississauga established a special capital and debt levy of 2% of the prior year's tax levy to help in addressing the city's infrastructure needs, the report says. On average, 1% of the levy increase will be allocated to the city's tax capital reserve, with the other 1% being used to pay for debt servicing costs related to capital replacement projects.

Burlington had a dedicated infrastructure renewal levy of 0.5%, which was increased to 0.75% in 2015.

At varying levels, this is the practice in the City of Vaughan, the City of Barrie, the City of Hamilton, the Town of Oakville and the Town of Halton Hills. Since 2012, Hamilton has approved a 0.5% capital levy each year except 2015 and are recommending 0.95% capital levy for 2017 to be ready for Federal Infrastructure Fund matching contribution agreements.

There are also municipalities, for a number of reasons, that do not have special levy contributions; and ultimately each case is different and must be viewed under the characteristics of that respective municipality.