





COMMUNICATION UPDATE

TO:	Mayor and Members City Council
DATE:	June 12, 2025
SUBJECT:	Stormwater Fee and Stormwater Incentive Program Update (HW2503) (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Nick Winters Director, Hamilton Water Public Works
SIGNATURE:	
SUBMITTED BY:	Clayton Pereira Director, Revenue Services Corporate Services
SIGNATURE:	

The purpose of this communications update is to inform Council the details of:

- Launch of the Stormwater Incentive Program, Stormwater Fee Estimator Tool, and Stormwater Fee By-law.
- Public feedback received to-date.
- Statistics of the Stormwater Incentive Program (Stormwater Infrastructure Credit, Harbourfront Credit, Rain Ready Residential Rebate and Green Space Credit).
- Overview of City stormwater services in rural areas, and
- Background on the new stormwater fee.

This update is intended to equip you with information, help address constituent inquiries and ensure clarity on the City's stormwater fee and incentive programs.

The Launch of the Stormwater Incentive Program

The City of Hamilton launched the Stormwater Incentive Program (SIP) and Stormwater Fee Estimator Tool on April 22, 2025, to assist property owners in preparing for the new

stormwater fee, which will be implemented in April 2026. Residents and Councillors utilized the tool immediately after launch, and staff supporting the SIP received questions and requests for reassessments soon after the release. On May 7, 2025, City Council approved By-law No. 25-100 Imposition of a Stormwater Charge. As identified in the By-law, all developed properties in Hamilton will be charged the stormwater fee (see Table 1, Appendix A).

Information about this program is available and updated regularly on the City website at www.hamilton.ca/StormwaterFee.

Public Feedback Summary

Since launching the SIP in April 2025, the common feedback has been residential requests for re-assessments, retroactive credits under the Rain Ready Rebate Program for residents with existing stormwater features, residential requests for the Green Space Credit and requests for exemptions to the stormwater fee.

Re-Assessment Requests

Most re-assessment requests originate from rural residents who want their green space re-analysed or request an exemption if they are not connected to the City storm or water/wastewater systems. However, residents are not charged by impervious areas on individual property, green space area, or connection; they are charged based on their property type. The stormwater rate structure approved by City Council on June 28, 2023 (Report # FCS22043(b)), employs a single-family unit (SFU) model. Single detached homes are charged one billing unit which is \$200.75 annually or \$0.55/ day. Semi-detached homes, town homes and duplexes are charged 0.5 of the billing unit (\$100.38 annually or \$0.28/ day per dwelling unit) and triplex to six-plex properties will pay 0.3 of the billing unit (\$60.23 annually or \$0.17/ day per dwelling unit).

Since the residential rates use a single-family unit (SFU) model, residential rate payers can request a re-assessment if their property has been considered with the incorrect number of residential units. Green space or impervious area will not be used to re-assess a residential property.

Valid reassessments for Industrial, Commercial, and Institutional (ICI), mixed-use properties, agricultural and multi-residential properties (with more than seven units) requests include:

- Their property has been incorrectly considered a residential property;
Their property has been incorrectly considered a multi-residential property (seven or more units), institutional, commercial, or industrial property.
- Their property has been considered with the incorrect number of residential units.

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.

- The area of impervious surface on property has been incorrectly determined or recently changed.
 - De-paved properties: These are properties that removed or reduced the impervious area on-site which was not captured in the aerial imagery used to inform the stormwater fee.
 - Incorrect assessment of compacted gravel vs non-compacted gravel
- They applied for a credit and the credit has been incorrectly calculated, reduced, or cancelled.

An additional consideration for a non-residential re-assessment is:

- Rate payers with multiple parcels (that are adjacent and connected) that change the Green Space Credit eligibility if the parcels are viewed as combined.

Retroactive credits or rebates from the Rain Ready Residential Rebate Program for residents with existing stormwater features

A retroactive rebate program for residents with existing stormwater features presents many practical challenges such as cut-off dates for past activities. Staff followed the best practice models used by other municipalities that offer rebates for new projects. Retroactive credits would ultimately increase the stormwater fee.

Green Space Credit Eligibility

Staff received questions with respect to properties which do not receive the Green Space Credit even though they appear similar to other properties that are receiving the Green Space Credit. ICI properties with a direct connection that conveys the stormwater runoff from hard surfaces directly to the City's stormwater system are not eligible for the Green Space Credit.

The Green Space Credit was developed for properties with no direct connection to the City's stormwater system. Examples include:

1. Ancaster Agricultural Society is eligible for the Green Space Credit while Binbrook Agricultural Society is not because of their connection to City stormwater systems.
2. Southbrook Golf Course is eligible for the Green Space Credit while the Hamilton Golf & Country Club is not because of their connection to City stormwater systems.

Figure 1 in Appendix A shows examples of connections to City's stormwater system.

Stormwater fee exemptions and the use of the phrase “Rain Tax”

Staff received various requests from rural residents to be exempt from the stormwater fee or to receive the Green Space Credit. Other sectors requesting exemptions are not-for-profits, public education institutions, places of worship and residents with existing stormwater measures in place. The stormwater rate structure approved by City Council on June 28, 2023 (Report FCS22043(b)), does not provide stormwater fee exemptions for any developed properties (refer to Figure 2 in Appendix A for City-Wide Fee Distribution).

It is important to note that the stormwater fee launching in April 2026 is not a tax or “rain tax” - it is a utility fee for the use of City infrastructure. The fee is a cost recovery for the City’s stormwater system assets including their administration, operation, repair, rehabilitation, and replacement. To align with this new structure, existing wastewater rates will be reduced by approximately 20% for current ratepayers, as the portion previously used to fund stormwater management will now be separated into its own utility fee. This means customers will see a restatement and reduction in wastewater charges, with stormwater services billed as a distinct charge.

While public education institutions and places of worship are exempt from property taxes, they will continue to pay for stormwater services as part of utility charges. This is because all properties contribute to stormwater runoff, which the City must actively manage to prevent flooding, erosion, and pollution. The stormwater fee ensures that all properties, regardless of tax status, pay their fair share based on their impact on the natural and engineered stormwater system in Hamilton.

ICI properties, including public education institutions and places of worship, along with multi-residential and agricultural properties can apply for the Stormwater Infrastructure Credit, which provides a fee reduction of up to 50% for properties that implement effective stormwater management measures. The application form is available on the City website: www.hamilton.ca/stormwaterfee.

Statistics of the Stormwater Incentive Program

Stormwater Infrastructure Credit & Harbourfront Credit

To date only three ICI properties have formally expressed interest in applying for the Stormwater Infrastructure Credit. Staff are planning additional outreach to industrial and commercial businesses via the Hamilton-Oshawa Port Authority (HOPA), Business Improvement Areas (BIAs), and town halls with the Flamborough Chamber of Commerce and Hamilton Industrial Environmental Association. City staff presented to Mohawk College in November 2024 and to McMaster University in September 2023 and July 2024.

Green Space Credit

Most Green Space Credit recipients are in Wards 9, 10, 11, 12, 13 and 15 (see Table 2, 3,4,5 in Appendix A). To-date, 2,099 properties will receive the Green Space Credit.

Rain Ready Residential Rebate Program - Report FCS22043(c)

The Rain Ready Residential Rebate Program was approved in 2024 by Council and launched in April 2025. Green Venture had a goal and budget to approve 70 applications. As of June 1, 2025, Green Venture received 101 applications. 34 applications were approved; the rest were in review, and one was denied as they did not meet the eligibility criteria. Most applications were from Ward 1.

The applications showed the most popular project types were rain gardens, rainwater harvesting systems and permeable surfaces, including 6 driveway projects. Green Venture staff are conducting site visits to meet with residents who submitted requests for in-person reviews.

Green Venture responded to 732 emails in the five weeks since launch. Inquiries include requests for educational resources, basic program inquiries, project specific inquiries, tech support, questions about the rebate's impact on the stormwater fee, and requests for retroactive credits and rebates to reward residents who already have stormwater measures in place. Applications for the 2025 Rain Ready Rebate Program closed on June 1, 2025. Residents interested in future rebates can sign up to their newsletter to stay informed: www.greenventure.ca

Stormwater Services in Rural Areas

The City invests millions of dollars per year in stormwater services in rural areas which provides valuable benefits to those communities. Currently, much of this work is paid for through City water and wastewater rates, and property taxes.

The City is responsible for natural watercourses, like streams and wetlands, inspecting, cleaning them of debris and sediment, and areas where the water is eroding the land. City staff also inspect, fix and clean assets like culverts, stormwater ponds and ditches.

Projected spending benefiting Hamilton residents, including rural areas in 2026:

Transportation Services

- Annual culvert replacement, maintenance and emergency works quantity is approximately 210 culverts with an annual spending of approximately \$2.8M.
- The City maintains approximately 50 km of ditches per year at a cost of approximately \$2 million per year.

- Annual soils removal budget related to drainage works is approximately \$800K per year.

Hamilton Water Services

- Approximately \$150K for bi-annual watercourse inspections; approximately 120 km (does not include capital works).
- Approximately \$80K annual budget for Watercourse Operations and Maintenance (O&M) such as debris removals, beaver activity, follow ups.
- Approximately \$2.85M annually for Stormwater Management Facility O&M, such as grass cutting, invasive species management, and dredging.

Brief Background of the Stormwater Fee and Stormwater Incentive Program

In January 2023, Council directed that all aspects of the City's stormwater services are to be funded from the revenues associated with the dedicated stormwater user fee planned for the April 2026 implementation, (refer to Report FCS23074 and Report FCS23045 for details).

- The dedicated stormwater fee structure considered the five Council Guiding Principles approved in November 2022 (refer to Report FCS22043 for details).
- The approved Single-Family Unit (SFU) structure divides properties into two categories:
 - (i) Residential properties with six or fewer units (fee is based on the type of residential property).
 - (ii) ICI, agricultural, mixed-use properties and multi-residential with seven or more units (fee is based on the measured impervious area of the property).
- In March 2025, Council approved in principle a 2026 SFU rate of \$200.75 annually. In advance of the April 2026 stormwater fee implementation date, having an approved in principle 2026 SFU allows businesses to plan for investments and prepare a business case for potential upgrades or retrofits to qualify for a stormwater credit and reduce their base fee.
- In April 2026, those properties that presently pay wastewater utility charges will see a restatement /reduction of those charges. Wastewater rates will no longer be used to fund stormwater management activities, and the stormwater fee will be broken out as a separate line item on utility bills.

Stormwater Credit Program

In June 2024, the City approved a unique multi-stream stormwater credit program for ICI, agricultural and multi-residential properties (with seven or more units). It is important to note that property owners will only be eligible for one stream of the credit

program. The development of the credit program included an assessment of a variety of stormwater incentive programs utilized by different municipalities in Ontario, as well as feedback from the community and interested parties. The three credit streams were assessed for alignment with the Stormwater Fee Guiding Principles, (refer to Report FCS22043 for details).

1. **Stormwater Infrastructure Credit:** Property owners can apply to get up to a 50% credit if they reduce stormwater runoff quantity or improve its quality. This applies to ICI, agricultural and multi-residential properties with seven or more units. Owners must show that they have installed and maintained these measures.
2. **Harbourfront Discharge Credit:** Properties using private pipes to send stormwater directly to Lake Ontario can apply for up to a 90% credit. These properties must meet Provincial regulations related to discharging to the natural environment and prove that the discharge does not enter the City's stormwater system.
3. **Green Space Credit:** Farms, parks, and similar properties without a direct connection to the City's stormwater system can qualify if their stormwater runoff goes to large green spaces. This credit will be automatically applied to the stormwater fee and the amount of the credit will be based on the ratio of hard surfaces (impermeable, *does not soak up stormwater runoff*) to green space (permeable, *soaks up stormwater runoff*).

For further information on the stormwater credit program, refer to Report FCS22043(c). The approved Rain Ready Residential Rebate Program remains consistent with the engagement feedback received, similar to residential subsidized incentive programs offered in Guelph, Kitchener, and Waterloo. For the Rain Ready Hamilton program, the City partnered with the local non-profit Green Venture that already had an established residential rebate program. The program provides on-site guidance to implement stormwater measures, resources for residents, site visits and is funded by the City.

If you have any questions regarding the Stormwater Fee or the Stormwater Incentive Program, please email StormwaterIncentives@hamilton.ca.

APPENDICES AND SCHEDULES ATTACHED

Appendix A: Stormwater Fee Details

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Table 1 - Billing unit splits across ward (residential/non-residential cost)

Table one shows which wards have the most billing units by residential vs non-residential properties.

Ward	Non-Residential Billing Units	Residential Billing Units	Total Billing Units	% of billing units by Ward
1	6,100	8,966	15,066	5%
2	5,702	4,527	10,228	4%
3	15,835	11,648	27,483	10%
4	17,712	13,778	31,490	11%
5	11,569	9,799	21,368	8%
6	6,876	11,120	17,997	6%
7	4,454	14,015	18,469	6%
8	5,641	10,665	16,306	6%
9	5,194	9,667	14,861	5%
10	16,670	11,649	28,320	10%
11	8,795	8,529	17,324	6%
12	8960	13724	22683	8%
13	5509	10412	15921	6%
14	1782	9245	11027	4%
15	6518	9412	15930	6%
City Wide	127,317	157,156	284,473	100%

Figure 1 - Example of City connection to stormwater systems

Property with a direct connection to City stormwater infrastructure does not receive the automatic Green Space Credit (left). Green space without connection to City stormwater infrastructure does receive the automatic Green Space Credit (right). The red lines are City wastewater lines and navy-blue lines with arrows are stormwater lines.

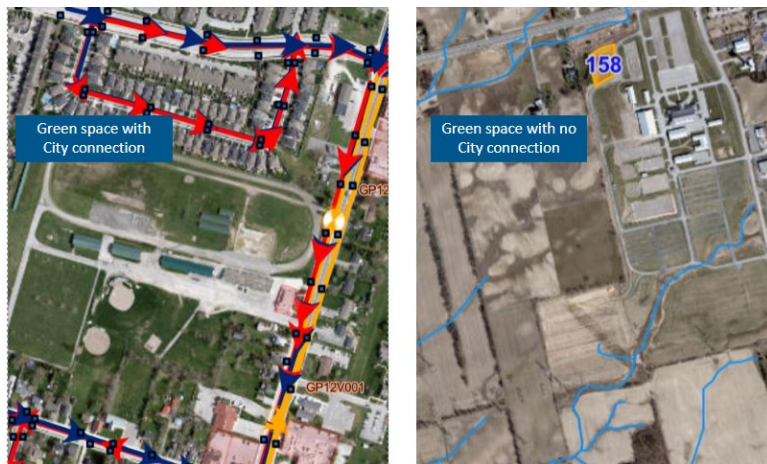


Figure 2: City-Wide Fee Distribution

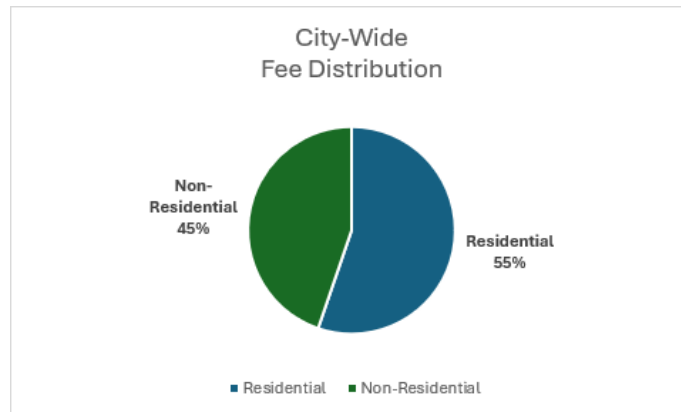


Table 2 – Non-residential property annual fee statistics across wards (*Excludes Farms, MPAC 200 series properties).

Note 1: Vacant land makes up the vast majority of the properties paying \$0, with \$0 industrial properties largely being Hydro ROWs, Railway ROWs, and Pipelines; and the 700s code paying \$0 is mostly properties that are cemeteries.

Note 2: GSC is Green Space Credit

The non-residential properties with the highest stormwater fee are John C. Munro Hamilton International Airport, McMaster University, and Coreslab Structures.

Ward	Count of Properties	Count of Properties Paying \$0	Count of Properties w/ GSC	Min Fee	Median Fee	Average Fee	Max Fee
1	680	168	1	\$200.75	\$382.74	\$2,391.73	\$259,545.97
2	1,214	176	-	\$200.75	\$363.18	\$1,102.71	\$44,147.43
3	1,433	159	-	\$200.75	\$322.98	\$2,495.65	\$538,205.62
4	1,111	125	-	\$200.75	\$422.73	\$3,606.13	\$727,300.65
5	712	191	-	\$200.75	\$1,738.38	\$4,455.37	\$208,178.02
6	437	100	2	\$200.75	\$2,544.63	\$4,088.60	\$58,323.21
7	414	38	-	\$200.75	\$468.18	\$2,378.11	\$157,891.25
8	411	81	-	\$200.75	\$923.13	\$3,431.79	\$126,741.95
9	329	160	37	\$200.75	\$1,444.88	\$5,907.24	\$155,899.85
10	963	329	20	\$200.75	\$2,351.46	\$5,259.63	\$90,493.52
11	536	281	82	\$200.75	\$615.54	\$6,620.43	\$858,892.80
12	890	439	108	\$200.75	\$1,166.11	\$3,762.80	\$57,538.99
13	1,016	484	147	\$200.75	\$454.77	\$1,526.22	\$24,984.56
14	149	58	-	\$200.75	\$2,234.68	\$3,930.12	\$24,262.04
15	729	350	103	\$200.75	\$597.72	\$2,761.19	\$171,076.95
City-wide	11,024	3,139	500	\$200.75	\$630.40	\$3,140.68	\$858,892.80

Figure 3 - Non-residential property average and median stormwater fee statistics across wards (*Excludes Farms, MPAC 200 series properties).

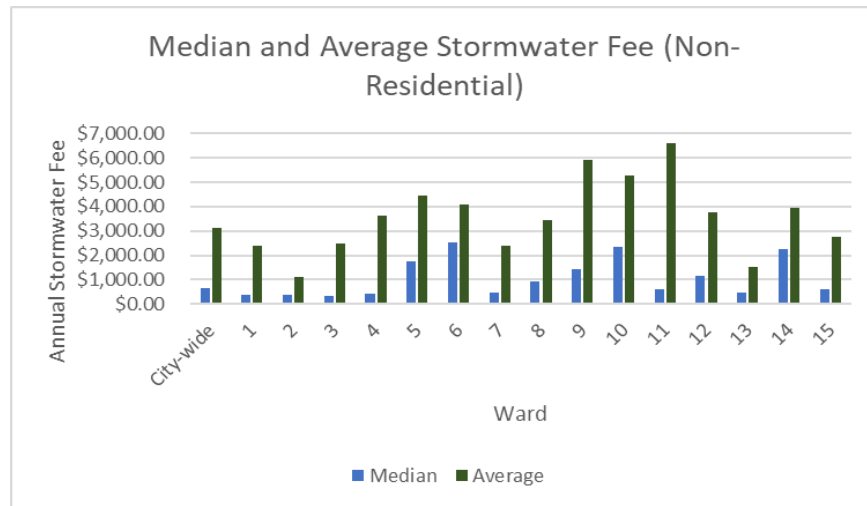


Table 3 - Farm stats (MPAC 200 series including greenhouses, farms with residences, orchards). Annual fee statistics across select wards

Ward	Count of Properties	Count of Properties Paying \$0	Count of Properties w/GSC	Min Fee	Median Fee	Average Fee	Max Fee
9	405	110	153	\$200.75	\$ 200.75	\$ 242.28	\$ 6,382.86
10	110	44	23	\$200.75	\$ 200.75	\$ 299.09	\$ 3,564.10
11	714	196	346	\$200.75	\$ 200.75	\$ 214.11	\$ 4,518.86
12	1,024	225	366	\$200.75	\$ 200.75	\$ 234.48	\$ 6,922.84
13	746	150	418	\$200.75	\$ 200.75	\$ 559.80	\$ 62,851.02
15	465	65	291	\$200.75	\$ 200.75	\$ 704.17	\$ 63,777.02
City-wide	3,487	808	1,597	\$200.75	\$ 200.75	\$ 376.65	\$ 63,777.02

Table 4 - Green Space Credit (GSC) details including all property types

The Green Space Credit is automatically applied to ICI or mixed-use property (including farms) and multi-residential buildings/complexes with seven or more units that do not have a direct discharge connection to the City's stormwater system, which includes sewers, ditches and watercourses. To receive a Green Space Credit, properties must meet **all** the following criteria:

- No direct connection to the City's engineered or natural stormwater system
- All runoff from impervious area drains to green space
- There must be sufficient green space to absorb the run-off from impervious area
- More than 40% of the property must be covered by green space

Ward	Number of Properties Receiving a GSC	Total GSC in Ward	Min GSC	Average GSC	Max GSC
1	1	\$ 18,852.98	\$ 18,852.98	\$ 18,852.98	\$ 18,852.98
6	2	\$ 20,179.97	\$ 6,912.68	\$ 10,089.98	\$ 13,267.29
9	190	\$ 527,554.26	\$ 76.27	\$ 2,776.60	\$ 43,671.67
10	43	\$ 133,953.30	\$ 115.79	\$ 3,115.19	\$ 14,143.72
11	428	\$ 1,295,956.86	\$ 17.98	\$ 3,027.94	\$ 37,867.97
12	474	\$ 1,927,922.11	\$ 32.56	\$ 4,067.35	\$ 66,304.97
13	566	\$ 3,462,033.37	\$ 0.38	\$ 6,116.67	\$ 147,652.69
15	395	\$ 1,464,240.96	\$ 32.95	\$ 3,706.94	\$ 50,771.63
City-Wide	2,099	\$ 8,850,693.80	\$ 0.38	\$ 4,216.62	\$ 147,652.69

Table 5 - Farm (MPAC 200 series properties) paying \$7000 or more.

Note: The properties (greenhouses) not eligible for the Green Space Credit are due to their % imperviousness exceeding 60%. ICI properties that do not receive the Green Space Credit can apply for the Stormwater Infrastructure Credit if there are eligible stormwater management measures in place.

Ward	Location	MPAC	Daily Fee	Green Space Eligible (Yes/No)	Amount of Green Space Credit	Annual Stormwater Fee after GSC (if applied)
15	374 5TH CON RD E	231	\$ 174.73	No	\$ -	\$ 63,777.02
13	629 SAFARI RD	211	\$ 172.19	No	\$ -	\$ 62,851.02
15	414 5TH CON RD E	210	\$ 158.12	No	\$ -	\$ 57,715.36
13	1168 SODOM RD & 491 MIDDLETOWN	210 & 200	\$ 66.23	Yes	\$120,875.76	\$ 27,538.08
15	8 5TH CON RD E	232	\$ 54.85	No	\$ -	\$ 20,018.55
13	395 4TH CON RD W	210	\$ 47.57	No	\$ -	\$ 17,361.54
15	22 5TH CON RD E	221	\$ 44.67	No	\$ -	\$ 16,302.81
13	379 4TH CON RD W	211	\$ 43.67	No	\$ -	\$ 15,940.24
13	1247 4TH CON RD W	211	\$ 33.06	No	\$ -	\$ 12,065.28
13	689 MILLGROVE SIDE RD	211	\$ 25.17	No	\$ -	\$ 9,187.25
13	1230 SODOM RD	200	\$ 23.86	Yes	\$ 52,763.69	\$ 8,709.81
13	759 SAFARI RD	211	\$ 22.74	Yes	\$ 55,700.78	\$ 8,300.78
15	422 5TH CON RD E	211	\$ 22.59	Yes	\$ 50,771.63	\$ 8,245.96

Table 6 - Count of Non-Residential properties paying >\$1000

The table does not include MPAC 200s which are Farm properties including greenhouses.

Ward	Count of Non-Residential properties paying >\$1000 (not including MPAC 200s)
1	143
2	247
3	274
4	276
5	347
6	261
7	111
8	160
9	96
10	473
11	105
12	242
13	174
14	63
15	151
City-Wide	3,123