



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	February 9, 2015
SUBJECT/REPORT NO:	Municipal Services and Property Taxation on Condominium Properties (FCS12020(c)) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Tom Hewitson 905 546 2424 x 4159 Gloria Rojas 905 546 2424 x 4267
SUBMITTED BY:	Mike Zegarac General Manager Finance & Corporate Services Department
SIGNATURE:	

Council Direction:

The Audit, Finance & Administration Committee (AF&A) at its meeting of August 13, 2014, received Report FCS12020(b) "Municipal Services & Property Taxation on Condominium Properties – Update (Outstanding Business List Item)" and directed staff to report back on the following issues:

- a. Confirm the Obligation of the Condo Corporations to test fire hydrants;
- b. Provide a breakdown of the \$200K-\$480K required to develop a cost-estimate for street lighting, fire hydrants, catch basins and waste collection;
- c. The City's ability to create a special property class for condominium properties; and
- d. Provide information regarding rebates offered by other municipalities.

In addition, City Council at its meeting of August 15, 2014, received a petition from Wentworth Standard Condominium Corporation No. 441 regarding municipal services and requested a report to the Audit, Finance & Administration Committee.

Information:

On March 8th, 2010, representatives from the Canadian Condominium Institute, Golden Horseshoe Chapter advised Committee of the Whole (now known as General Issues Committee) of their concerns with respect to the City of Hamilton's policies on condominium properties. In response, City Council directed staff to report back on options to mitigate the cost of services provided to condominium properties.

On April 10th, 2012, Audit, Finance & Administration Committee received Report FCS12020/PW12011 concluding that the provision of services to condominium properties is consistent to that of any other privately owned property and did not recommend any changes to the existing treatment to condominium properties.

Following Council direction, staff prepared a series of reports outlining the cost of maintaining condominium catch basins, fire hydrants, larviciding common areas and street lighting, as well as, the feasibility of reviewing the Site Plan Guidelines and providing waste service collection. The following reports were presented to their respective committees:

- Municipal Services and Property Taxation on Condominium Properties FCS12020(a) – Audit, Finance and Administration Committee
- Municipal Services and Property Taxation on Condominium Properties PW12011(a) – Public Works Committee
- Larviciding Comments in Response to the Municipal Services and Property Taxation on Condominium Properties Audit, Finance and Administration Report BOH13041 – Board of Health
- Follow-up Report Municipal Services and Property Taxation on Condominium Properties PED13206 – Planning Committee

Each Standing Committee received the respective reports for information with no direction to staff.

As directed previously by the Audit, Finance and Administration Committee, the findings and conclusions of the standing committee reports were summarized and presented in Report FCS12020(b) to the AF&A on August, 13, 2014. Report FCS12020(b) concluded that the issues and risk associated with the provision of municipal services to condominium properties do not warrant the cost needed to develop an accurate cost estimate and/or expand the services. Revision of the Site Plan Guidelines was also not recommended.

As per Council direction arising from the AF&A of August 13, 2014, Information Report FCS12020(c), is reporting on the following issues:

a. Confirm the Obligation of the Condo Corporations to test fire hydrants

The *Fire Protection and Prevention Act*, under Part 6, Section 6.6, subsections 6.6.4 and 6.6.5, states that municipal and private hydrants shall be maintained in operating condition and that hydrants shall be inspected annually and after each use. Hydrant water flow shall also be inspected annually.

b. Provide a breakdown of the \$200K-\$480K required to develop a cost estimate for street lighting, fire hydrants, catch basins and waste collection

An inventory of condominium sites, site plans, asset condition and unit costs is needed to develop a cost estimate to provide public works related services for condominium properties. This information is incomplete or not available, except for unit cost. The cost per site ranges between \$500 to \$1,200 and assuming a total of 400 condominium sites city-wide, the cost to develop the preliminary cost estimate would be between \$200,000 and \$480,000. These costs are to develop the inventory only, not to provide any service to the condominiums.

Regarding fire hydrants, the cost to complete the survey and the code inspection is approximately \$70,000, based on an estimate of 400 condominiums and average of four hydrants on each condominium property.

c. Comment on the City's ability to create a special property class for condominium properties

Condominiums are classified under the residential property class in section 3 of the *Assessment Act*. Section 3 of the Act states: "The residential property class consists of the following:

1. Land used for residential purposes that is:
 - ii. a unit or proposed unit, as defined in the Condominium Act"

Only the Province can create property classes. The *Assessment Act*, Section 7(1) states that the Minister of Finance "... shall prescribe classes of real property for the purposes of this Act." In addition, the property classes and property sub-classes are defined in Ontario Regulation 282/98, a regulation made under the *Assessment Act*.

d. Provide information regarding rebates offered by other municipalities

The vast majority of Ontario municipalities do not provide rebates to private condominium corporations in lieu of services that the corporation must provide to its owners. However, the following are some examples of municipality rebates:

Waterloo Region: A rebate of \$31 per year is offered to condo units that do not receive municipal solid waste services.

Brantford: Garbage collection, recycling, hydrant maintenance and storm sewer cleanout services are provided if the condominium corporation signs an agreement with the City for these services and provides proof of liability insurance.

Kingston: The cost of garbage disposal is included only in the residential tax rates (excluding condominium properties). Condominium, multi-residential and new multi-residential properties can opt in for municipal garbage disposal funded through user fees of \$51 per year, for each residential unit.

**SUBJECT: Municipal Services and Property Taxation on Condominium Properties
(FCS12020(c) (City Wide) (Outstanding Business List Item)- Page 4 of
4**

In response to the petition received from Wentworth Standard Condominium Corporation No. 441, staff will inform them, in writing, of the steps the City has taken to analyze the options and costs of providing municipal services to condominium properties as detailed in the reports mentioned above.