Twenty Place comprised of Wentworth Corporations Numbers 215, 223, 236, 251, 275, 286, 301, 321 and Wentworth Standard Corporations Numbers 356 and 367

January 19, 2010

Mr. Fred Eisenberger, Mayor
Mayor’s Office
Hamilton City Centre
77 James Street North
Hamilton, ON L8R 2K3

Dear Mr. Eisenberger

Re: Request for Meeting on Impact of City Policies on Condominium Corporations

This is a request to meet with you on policy and residential tax matters affecting condominium corporations across Hamilton. I am writing you on behalf of the Canadian Condominium Institute (CCI), Golden Horseshoe Chapter, which represents the interests of virtually all of the condominium corporations – boards of directors and management companies – across the region, and acts for many thousands of condominium homeowners in Hamilton. CCI-GHC is providing leadership and coordination to the condominiums’ Fair Tax Campaign in Burlington, Hamilton and now Waterloo. The CCI cites Brantford as the local and leading municipal example of policies exhibiting a degree of fairness to condominiums.

In a useful and constructive meeting that I co-chaired with Dave Mitchell, CCI met with senior City staff (Davis, Rossini, Harnum). At its conclusion, all agreed that no more progress could be made unless the City administration was directed by Council to provide the subject services, or their fair value, completely or in part. The issues are:

CCI Position:

1. Condominium corporations are burdened by high and increasing operating costs that include the direct cost of services provided to individual private homeowners under the tax base to which we all contribute. Examples over page. We view these as "double taxation".
2. Area Rating may be a useful precedent for allowing Council to tax at a lower rate where services are not provided but we would prefer to address the costs directly - by direct provision of services or by reimbursement as in the precedent case of Brantford.

City Position:

1. Officials recognize that certain City services to which condominium homeowners provide general tax support are not provided to them. The stated reasons include: condominium corporations are private entities, narrow streets, liability potential, and overburdened City budgets.

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2. These priorities could change if the administration was directed by Council to provide these services, or their fair value, completely or in part.

Let me illustrate. Through CCI we have started to accumulate data on the condominium corporation costs of such services. The impact is the same from Waterdown on the north to Stoney Creek on the south. To City staff I showed the following, comparing Twenty Place to other examples:

<table>
<thead>
<tr>
<th>Service and operating cost</th>
<th>Twenty Place annual per condominium household</th>
<th>Highest Hamilton annual per condominium household</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydrant inspections</td>
<td>$3.49</td>
<td>Some may not be tested!</td>
</tr>
<tr>
<td>Hydrant repairs</td>
<td>$4.73</td>
<td>$4.73</td>
</tr>
<tr>
<td>Catch basin cleaning and repairs</td>
<td>$20.33</td>
<td>$115.55</td>
</tr>
<tr>
<td>West Nile control</td>
<td>$7.99</td>
<td>$7.99</td>
</tr>
<tr>
<td>Snow clearing, salting, sanding</td>
<td>$124.42</td>
<td>$582.51</td>
</tr>
<tr>
<td>Streetlight hydro</td>
<td>$32.17</td>
<td>$32.17</td>
</tr>
<tr>
<td>Paving repairs</td>
<td>$9.43</td>
<td>$475.00</td>
</tr>
<tr>
<td>Annual operating cost</td>
<td>$203</td>
<td>$1208</td>
</tr>
</tbody>
</table>

On July 1 these costs will leap by almost 8% attributable to the HST.

This is not even a complete list. I have just received notice from the City that our Glenbrook "fire route no stopping" signs have to be replaced within the next 90 days with City "fire route no parking" signs! Does the City have these signs in inventory? Probably. Are they available to us? No! Do we want to comply? Of course. We respect the professionalism and co-operation of the fire department and the by-law enforcement office in ensuring that the level of service provided to us is identical with that provided to all residences in Hamilton. However, we have to pay for these signs and also for those provided across the City.

In another example we learned from the City that improvements to Twenty Road rank 200th in priority. Councillor Dave Mitchell believes that the criteria do not reflect the size of the three large condominium communities (30+ corporations with more than 2500 voters) that feed onto the road.

I hope that you share with us the belief that condominium corporations benefit cities. Cities grow in population and in tax revenue at far less long-term cost to a municipality when compared to non-condominium style of development. Condominium corporations are legislated to accumulate reserve funds for infrastructure maintenance and replacement without current or future cost to the city. Condominium corporations create local jobs by engaging management, engineering, accounting, legal, maintenance, renovation and construction services upon which full taxes are paid. Condominium corporations maintain property appearances and infrastructure at a high level, preserving and adding to market value (at Twenty Place, 5.6% annual increase over 13 years) and the city tax base. Condominium corporations communicate regularly through our newsletter and meetings with owners on management, local issues, political, regulatory, recreational and social-support matters. Larger-scale condominium corporations provide extensive social and recreational services thereby reducing the load on city services. Condominium developers contribute 5% towards park funding, largely benefitting other areas. The community-caring aspect of condominium corporations provides support and security to older citizens, relieving them of looking after their outside premises, allowing them additional time and freedom to enjoy independence, lessening the burden on city social services.

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If you share our belief, would you want to harm that relationship through continuing our double taxation burden?

CCI was unable to participate in the one-day public meeting devoted to the 2010 tax budget. We were denied the opportunity of meeting with the Committee of the Whole re the budget on January 21. Thus my colleagues and I would like to meet with you and Councillor Mitchell and seek your counsel on how the issues raised here concerning the double taxation of condominium corporations can be resolved in this tax budget.

We are looking forward to your favourable response to this request.

Respectfully,

Ian Rowe

Ian Rowe, PhD., P.Eng., President
Wentworth Corporation No. 236
On behalf of
Canadian Condominium Institute, Golden Horseshoe Chapter

I prefer to be reached directly at:
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ian.rowe@netscape.ca

cc: David Mitchell, Councillor Ward 11
Joe Rinaldo, advisor
John Young, Chair of Twenty Place Finance
Tony Gatto, CCI director
Karen Reynolds, CCI director

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