de la		
9 9	ITEM	
	MANAGER'S REPORT NO.	31
Ĭ	COUNCIL MEETING Apr.	25/77

Re: LETTER FROM GREEN TREE VILLAGE RECREATION CENTRE c/o 3rd FLOOR, 1050 WEST PENDER STREET, VANCOUVER REQUEST FOR EXEMPTION FROM TAXES

Appearing on the agenda for the April 25, 1977 meeting of Council is a request from the Ad Hoc Board of Directors of the Green Tree Village Recreation Centre for exemption of taxes on the community centre facility. The Planner, Treasurer and Solicitor have reviewed this correspondence and advise as follows:

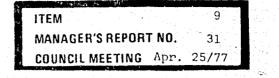
- 1. Green Tree Village is not the only housing complex in Eurnaby which has separate recreation facilities. Central Park Plaza and Vantage Point (Lougheed/Springer Area) are others that come to mind. In other words, it is not a simple question of just dealing with the Green Tree Village Recreation Centre. It is a significant matter of policy to be considered. Rather obviously we could not very well give a grant to the Green Tree Village Board without giving similar grants to any apartment complexes, either strata title or commercially-owned, which also have varying degrees of recreation facilities in their corplexes.
- 2. Notwithstanding the question of policy, there is the legal question to consider of whether or not we can grant relief from taxation under the Municipal Act. The Municipal Treasurer is of the opinion that we cannot because the only two sections of the Municipal Act which remotely have bearing on the matter of tax exemption do not apply in this instance. He points out that Section 323(1)(b) refers to land or improvements owned or held by an athletic club or association or service club or association and used primarily as a public park or recreation ground or for public athletic recreational purposes, and in his opinion this does not apply because the Green Tree Village Recreation Centre Board is not an athletic club or association and certainly the land and improvements are not used principally as a public park or recreational purposes. It is used exclusively by the owners of the strata parcels and their friends.

The other section of the Act, Section 202(h), empowers Council to give a grant in aid to any organization deemed by Council to be contributing to their general interests and advantage of the Municipality. We do not feel that this applies in this case.

The Municipal Solicitor at the request of the Treasurer has examined the letter from the representatives of Green Tree Village Recreation Centre and has offered the opinion that he can see no way of granting relief from taxation, as has been requested.

- . On November 3, 1975 the Manager received an informational memo from the Director of Planning as a result of an inquiry that we had received from the management firm representing the Green Tree Village Strata Corporation in connection with the Municipality taking over the ownership and/or the management of the community recreational facilities which were under construction at that time. The matter was considered by the Parks and Recreation Administrator and the Director of Planning and the following points were made then:
 - a. Similar to provisions in most large multiple-family residential developments, this recreational facility was proposed by the developer as a private facility to be owned and operated by the Green Tree Village Strata Corporations. It should be noted that there is more than one Strata Corporation involved and a somewhat complex management arrangement had been set up by the developer allowing single family dwelling residents of Green Tree Village to use the recreation facilities subject to certain conditions.
 - . The proposed facility was probably not constructed to standards as provided in publicly-owned recreational developments such as pool size, finishes, mechanical equipment, storage, staff, etc.

127



128

The staff also question whether the facility would constitute an efficient public operating unit from the point of view of operating, maintenance and staff costs in relation to the population served.

2 -

d. It had been mentioned in staff discussions at that time that some residents had expressed a view they would like the recreational facility to remain under their control since if it were to become a public facility, the residents would have less say, for example, in the hours of operation and potential influx of users from areas other than Green Tree Village.

At the time of the review, the Parks and Recreation Department was e. willing to consider the provision of specific enrichment programs utilizing the private recreational facilities subject to further discussions with the Strata Corporations.

f. One of the main considerations then was that the Municipality should not be expected to subsidize Green Tree Village in takingover the ownership and/or management of the recreation facilities.

As a result, we concluded we could not recommend to Council that we take over the ownership and/or management of the recreation facilities.

In summary, we do not feel that we have the legal authority to give a tax exemption in this type of instance, and even if we could, we would have to set a major policy that would govern all similar operations. Such a major policy would be difficult to set, because each of the facilities is slightly different, each is operating at a different level and not necessarily the same as a public facility. The development that we have now is one that was proposed by the developer and is being operated as proposed by the developer. Each of the members of the Strata Corporation bought into the Corporation knowing what the conditions were. There is no authority in the Municipal Act for us to apply a lower mill rate, which is one of the alternatives suggested by the Board. The only way one could accomplish the same end result of a lower mill rate, would be to give a grant for a specific amount, and we have already stated that we do not have the authority to give a grant in this type of situation.

As far as the comment by the Board that the residents are bearing the operating costs and are therefore being taxed twice, we would point out that these facilities are not open to the public nor are they programed by our Parks and Recreation Department. Contrary wise, the public facilities operated by the Parks and Recreation Department are open to the public generally, whether or not they are even Burnaby citizens. We cannot, however, state how many of the strata residents use the public facilities. The point being made is that the recreation facilities were provided on the site by the developer and paid for by the strata title residents, because we wanted to minimize any demand on Burnaby residents from the new development. Also, they are not designed for general public use and the argument used about double taxation can be used to varying degrees by almost any Strata Corporation or apartment development.

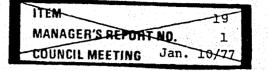
When the letter from the Ad Hoc Board of Directors was brought up for preliminary discussion last week, Council requested submission of a previous report on taxation relative to strata title properties. A copy of this report is attached.

RECOMMENDATION:

...

1. THAT a copy of this report be sent to the Green Tree Village Recreation Centre Ad Hoc Board of Directors.

Re: TAXATION - STRATA TITLE PROPERTIES



31

MANAGER'S REPORT NO.

ITEM

COUNCIL MEETING

On October 27, 1975 Mr. R.M. Davies on behalf of the Burnaby Strata Owners Association, 3004 Carina Place filed a letter regarding the above with Council. Due to the pressures of other matters, this item was given a low priority. Following is a report from the Municipal Treasurer dated December 29, 1976 which reports on the taxation of strata title properties vis-a-vis single family dwellings.

RECOMMENDATION:

1. THAT a copy of this report item be forwarded to Mr. R.M. Davies, Burnaby Strata Owners Association, 3004 Carina Place.

* * * *



29 December 1976 File: S81-8

MUNICIPAL TREASURER

TAXATION - STRATA TITLE PROPERTIES

The following is an excerpt from a letter filed with Council on 27 October 1975 by R. M. Davies on behalf of Burnaby Strata Owners Association, 3004 Carina Place:

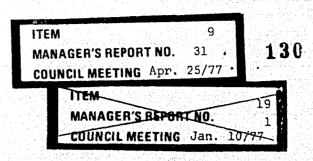
"We feel that the time has come to resolve these problems and particularly the matter of garbage collection. To put the matter in terms of dollars and cents in terms of strata developments and services rendered in comparison to single family homes on the individual lots, we present the following based on the following averages:

14 strata units per acre 6 family homes per acre

The development in which I reside is composed of 121 units on approximately 8.6 acres with the 1975 taxes amounting to approximately \$63,000.00. As a comparison there would be approximately 51 single family homes on this property on the same 8.6 acres and approximately \$33,000.00 in taxes would be collected. The Municipality therefore receives almost twice the tax revenue from a strata development per acre as from single family residences while providing less services. To demonstrate that strata developments are receiving less services per tax dollar we would point out that the single family home receives the following services at no additional cost: garbage removal, roads maintenance, sidewalk maintenance, trunk line sever maintenance, fire hydrant inspection, snow removal from the streets and storm drain maintenance just to mention a few for which most of all strata owners must pay in addition to their taxes."

The matter of garbage collection has long since been resolved, but Council instructed that a report be prepared on the subject matter of strata titles with particular reference to the above.

Due to pressure of other matters, this task was set aside until now.



If this property had been developed for single family dwellings, R2 Residential District zoning, it could be comprised of 41 single family dwellings on 7,200 sq.ft. parcels. A comparison between a subdivision of this sort and the actual strata title corporation property follows:

-2-

		Strata Plan <u>NW 39</u>	Single Family Residential Dwellings
	시 같은 것은 것은 것은 가지가 있다. 같은 것은 것은 것은 것은 것은 것은 것을 수가 있다.	8.6 acres	8.6 acres
Area	a an ann an Arland a Arland a far an Arland a Arland	130	41
Residential units		1,129 sq.ft.	None
Floor area each unit	2 bedroom	1,314 sq.ft.	1,400 sq.ft
	3 bedroom	\$40,459.9 ²	\$20,481.96
Taxes & rates all units	General	말한 김 사람들이 사람이 많은 것 같아. 집에 가슴에 가슴이 가슴 가슴을 잡는 것이 같아.	22,429.05
	School	44,282.27	
	Hospital, Regional Dis- trict, etc.	3,046.77	1,543.24
	Ornamental lighting	* 1,690.00	* 533.00
	Sewers frontage	50.70	2,050.00
	tax	그 중에서는 지난 한 것을 가지 못한 것을 갖추지 않는 것을 했다.	1,722.00
	Water	1,993.53	-N/A
	Sewer	1,588.99	i Maria di Katalari da Kat
		93,112.18	48,759.55
		716.25	1,189.26
Average taxes per unit		280.00	280.00
Provincial Home-Owner Grant			
Average net taxes per unit		<u>\$ 436.25</u>	<u>\$ 909.26</u>

* Shown at \$13.00 per unit to be consistent

1.6

The present by-law prescribes a different rate and different frontage rules than were in effect when lighting was installed in Carina Place.

> • Samt

The responsibility for the provision of roads, sidewalks, lighting, water, sewer and storm drainage is the same whether land is developed for single family use or for strata title occupancy. The capital costs must be paid by the developer and subsequently passed on to purchasers of individual lots or strata parcels, as the case may be.

-3-

TEN

MANAGER'S BEPORT NO

COUNCIL MEETING

A purchaser of a single family parcel must pay for the maintenance of water lines, sanitary and storm sewer lines, sidewalks, driveways and parking areas located within Snow removal is his responsibility. Maintenance of water lines, san his property. itary and storm sewer lines, sidewalks and roadways external to his property, are the responsibility of the Municipality. Snow removal service by the Municipality applies only to arterial streets, bus routes and streets with steep grades having only one outlet. Unless the property concerned fronts one of these streets, the owner may expect no snow clearing service from the Municipality.

In the example cited, there are 130 living units in an area that could occupy 41 single family units of comparable finished area located on separate parcels of land. The owners are responsible for the maintenance of water lines, sanitary and storm sever lines, sidewalks, driveways and parking areas located within the property. Additionally, as stated by Mr. Davies, they are responsible also for the inspection of fire hydrants to comply with fire underwriting standards. In most recent developments, fire lines are installed in registered easements, thereby making repairs and inspection the responsibility of the Municipality.

Obviously, when housing is grouped as in strata title, the sizes of mains, the length and width of driveways and the number of parking spaces and the length of sidewalks internal to the development increase over that required in a single family residential development.

This sort of thing applies also when development is vertical rather than horizontal. The internal transportation system within a highrise, passageways, staircases and elevators, together with multi-storey parking facilities, must be designed to accommodate the number of apartments being served and collectively are much more costly than internal transportation services required by a single family residence subdivision or a strata title townhouse complex occupying a similar area of land. This also applies to water and sewer services.

In the matter of recreation, single family residences usually will have recreation rooms, and sometimes swimming pools or saunas. Strata title properties are more likely to have a wider range of communal facilities such as meeting rooms, large swimming pools, tot lots, saunas, etc., reflecting the more efficient sharing capacity of a development composed of a large number of units.

All of this has a cost. An owner of a single family dwelling pays for the costs of operating his home as they occur. Also, much of the work involved in maintaining a home can be done by the owner himself. The strata owner, on the other hand, generally confines his labour to the interior of his unit and, through his Strata Council, contracts all other work out. The cost can be high - upwards of \$40.00 per month, payable monthly, which, when added to taxes, makes for sizeable costs.

Collectively, the owners of strata title parcels pay more municipal taxes and rates than would owners of single family parcels occupying an identical area of land - in the case in point, 91% more. However, individually they pay 48% less than owners of the single family residences after deduction of the \$280 Provincial Home-Owner Grant.

MANAGER'S REPORT NO. COUNCIL MEETING ITEM

31

Apr.

19

10779

Jan

1

131

Contributions towards Municipal services made by the individual owners in the two types of developments are:

ITEM

MANAGER'S BEPORT NO.

3

	Strata Title	Single Famil	Υ
General government	\$ 18.67	\$ 29.97	17
Police, fire & other protective	80.92	129.88	9 31 25/
services Street lighting & traffic services	80.92	129.88	
Garbage and storm severage	24.90	39.96	NO. Apr.
Health & welfare	24.90	39.96	
Environmental development	6.22	9.99	REPORT
Parks & libraries	68.47	109.93	6 6 E
Miscellaneous	<u> </u>	<u> </u>	S. A
년 전철 방법에 가지 않는 것이다. 이 것이다. 이 가지 않는 것은 것을 많은 것이다. 이가 있다. 같은 방법을 받은 것을 들어야 하는 것이다. 것이다. 이 가지 않는 것이 있는 것이다. 이 가지 않는 것이	311.23	499.56	ITEM Manager's Council Me
Schools	340.63	547.05	N Y N
Hospitals, Regional District,			A N
Assessment Authority & M.F.A.	23.45	37.65	
Ornamental lighting	13.00	13.00	seesing to be a state of the second
Sanitary severs	12.61	50.00	
Water supply	<u> </u>	42.00	
	\$ <u>716.25</u>	\$ 1,189.26	

Use of services by citizens is a matter of degree. Some will have children going to school. The operating cost of schools in 1976 is estimated at \$1,522 per child, of which \$992 is paid for out of property taxes. Towards this the owner of the sample strata parcel contributes \$340.63, and the owner of the sample single family dwelling, \$547.05. It may be that the owner has four children going to school, in which case the cost to the Municipality would be \$3,968 or 5.5 times the total taxes payable by the sample strata owner and 3.3 times the total taxes paid by the sample single family owner. This shortfall is made up by childless owners, commerce and industry. Some families make extensive use of parks and library services. Others do not. Some make direct use of health services. Everyone benefits indirectly from health services. This is, of course, the process of living together as a community and sharing the costs of operating the community.

To summarize:

14%

THE PARTY

1.4.4

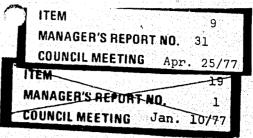
8

The responsibility for the capital cost of providing roads, sidewalks, water mains, storm sewers, sanitary sewers, lighting and underground wiring in new subdivisions, whether single family lots or strata title, internal or external to the development, rests with developers. The capital costs to Burnaby for oversize services or extension or enlargement of services, is minimal.

The responsibility for maintenance of services external to the development rests with Burnaby. The responsibility for maintenance of services internal to the development, except where they are within an easement, rests with the owners of property.

The services internal to a development tend to be of larger size in strata parcels than in residential properties, but they are necessary to permit the savings in construction and more intensive land use inherent in strata building.

Multi-family buildings increase density of population. Increased densities create increased demands for service, e.g. better firefighting equipment and increased numbers of firemen to protect highrise buildings; greater density of traffic, more need for recreation facilities in excess of those already provided by the housing development.



133

at that up

1

The outlined taxation analysis indicates that a number of services for which Burnaby residents are taxed are related to per capita or per unit costs rather than to the land area related to each dwelling unit. It is our conclusion that the comparison of strata townhouse residents with those of single family dwelling residents indicates a fair relationship and division of the tax burden. It is acknowledged that Burnaby, in order to meet its responsibility in accepting a fair share of the population growth of the multiple-family housing projects rather than single family dwelling developments; and a significant but fair proportion of the taxes collected to meet community needs and the burden of growth must be met by these new multiple-family housing developments such as

-5-

Submitted for the information of Council.

TREASURER

BM:gw