

UJA FEDERATION OF GREATER TORONTO PRIVATE LEGISLATION FOR EXEMPTION FROM PROPERTY TAXATION - REQUEST FOR COUNCIL RESOLUTION

Recommendation

The Deputy City Manager/Commissioner of Finance & Corporate Services and the Director of Financial Services, in consultation with the Director of Legal Services and the Manager of Property Tax & Assessment recommends:

- 1) That this report be received for information; and
- 2) That should Council wish to support the request, staff recommend approving the attached Resolution in support of the United Jewish Appeal Federation of Greater Toronto (the UJA) for a Private Bill.

Economic Impact

If the UJA were to receive exemption from property taxes on the subject lands referred to below, the annual estimated property taxes for the City portion only on Phase I is \$179,000, Phase II is \$37,000. Phase III cannot be determined at this point. The above amounts are only estimates based on information provided by the UJA Federation. The Regional impact is indicated below and Provincial Education Taxes would also be exempted.

Communications Plan

A Communications Plan is not applicable to this report.

Purpose

To provide Council with the background and estimated economic impact regarding the UJA's request for City support via resolution through passage of a Private Bill in the Provincial Legislature, that would provide the City with the authority to enact a By-law to exempt the subject property from property taxes.

Background - Analysis and Options

The UJA is a charitable, not-for-profit corporation. It is supported by a combination of donations and public funds. The UJA Federation supports community service-type organizations as well as education, health and social services.

The City has received a request (see attached request) from the UJA asking that the City of Vaughan Council pass a resolution in support of a Private Bill to the Provincial Legislature that would enable the UJA to become exempt from paying municipal property taxes for all or a portion thereof for the Joseph and Wolf Lebovic Jewish Community Campus, which is approximately 50 acres in size and is situated on the west side of Bathurst Street north of Rutherford Road (the subject property).

The Assessment Act, administered by MPAC, exempts philanthropic organizations, charities or non-profit organizations from paying municipal property taxes, provided they satisfy certain criteria. MPAC has established an exemption review process for all municipal property tax exemption requests in order to ensure that the provisions under the Assessment Act are consistently adhered to throughout the Province. MPAC was approached by the UJA in order to avail itself of this exemption review process. The Assessment Act states that a charitable organization needs to **own and occupy** a property under certain conditions in order to qualify for municipal property tax exemption. With respect to the subject lands, UJA will maintain ownership however, it will provide land leases to various occupants who, in turn will build and occupy their own buildings, and provide charitable, non-profit services. Therefore, MPAC confirmed that under the described proposed arrangements for the subject property, the municipal property tax exemption requirements under the Assessment Act will not be technically met. The issue being

that a non-profit organization would not own and occupy the property, but rather would own the property but lease to another non-profit organization that would provide charitable services. The position that the UJA has taken is that it is unfair to deny the UJA property tax exemption when the only reason for the denial is that they are leasing the subject property to another non-profit charitable organization to provide charitable services on its behalf, rather than occupying the subject property themselves to perform the charitable service.

Current Property Tax Status

The Municipal Property Assessment Development Corporation (MPAC) currently has the property assessed as "Residential Vacant Development land" and as such is subject to Municipal Property taxes. Once these lands are fully developed, based on the current information it appears that without a private bill all the buildings including the synagogues would be liable for property taxation since the buildings will not be occupied by the UJA as land owner.

Development Plans

The intent of the Campus development is to provide a range of significant community facilities and services to the general public (see attached UJA master plan). Currently, the majority of the property is still under construction, but the intention is to complete the property as follows:

Phase I, Quadrant 'A' - Site Plan Approved

This phase of the development has already been initiated with the completion and occupation of the Kimmel Education Centre, a 2-story Private Secondary school. The current approved Site plan also includes a Community Services Complex and REENA / Special Needs facilities. South of these facilities are City owned lands which will be developed into a soccer field, baseball diamond and parking.

Phase II, Quadrant 'B' – Site Plan Submitted

The proposed phase II of the development includes 2 Private Elementary Schools, including a Synagogue. The school area will include playground, soccer field, outdoor amphitheatre, plus parking. The Site plan has been submitted and is currently awaiting final approval.

Phase III, Quadrant 'C' & 'D' – Official Plan & Zoning Amendment - Application

This phase is currently under Official Plan Amendment File OP.07.003. and zoning By-law amendment 2.07.032. At this point only conceptional site plans have been submitted to the City. This phase is in it's early stages of planning and is intended at this point to be used as high rise residential.

Private Bill

Current legislation does not permit the City to grant a site-specific tax exemption. Therefore it is necessary for a Private Bill to be enacted that would give the City authority to enact a By-law that would exempt the UJA from municipal property taxes. The properties would still be assessed by MPAC but would be put into an exempt property class. Given the initial conclusion of MPAC the UJA would like to approach the Provincial Legislature in order to enact such a Private Bill. This Private Bill would give the City authority to enact a by-law that would exempt the subject property from all municipal property tax subject to the conditions that the City may deem appropriate. One of the requirements for obtaining a Private Bill is an indication of support via resolution (see attached) from the impacted municipality.

Possible Conditions to the Enactment of the By-law

Once the Private Bill is enacted, the City will have authority to enact a by-law that would exempt the UJA Federation from paying property taxes, subject to conditions that the City deems appropriate. One precondition for the enactment of the By-law would be that the UJA continues to be in a situation whereby it would receive tax exemption under the Assessment Act but for the fact that they are not occupying the subject property. Another possible condition is that the UJA

enter into an agreement with the City. Possible provisions for this agreement could be a stipulation that if the lands in question are sold, leased or otherwise disposed of, or if there are changes in use, that property taxes may become applicable. The provisions will also require the registration of the agreements against the title to the property. This approach will provide the City with ability to monitor the property in terms of property taxes, thereby providing fairness in the process.

Relationship to Vaughan Vision 2020

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

If the UJA were to receive exemption from property taxes on the subject lands, the annual estimated property taxes, for the Regional portion only, on Phase I is \$347,000, Phase II is \$72,000. Phase III cannot be determined at this point.

Conclusion

The UJA Federation, a charitable/non-profit corporation, has requested support from the City via resolution for exemption of property taxes through a Private Bill. Support from an impacted municipality is required for the enactment of a Private Bill. A Private Bill is necessary because the UJA Federation does not technically satisfy the Assessment Act requirements of ownership and occupation. However, the UJA will be satisfying the spirit of the Assessment Act, as they will be leasing the subject property to other charitable/non-profit organizations. With support from the City, the Province can enact a Private Bill that would provide the legislated authority for the City to exempt the UJA from property taxes. Other Municipalities have also provided this type of support under similar circumstances to various charitable organizations and the City has also granted a similar request in the past, and will continue to consider similar requests in the future.

If the City wishes to assist the UJA in their efforts, then a resolution supporting the request will be required. The City, once the Private Bill is passed by the legislature, will enact a By-law and may enter into an agreement with the UJA that will provide for certain conditions that are deemed appropriate.

Attachments

Attachment 1 – Resolution
Attachment 2—UJA request
Attachment 3 - UJA Master Plan

Report prepared by:

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Respectfully submitted,

Clayton D. Harris, CA
Deputy City Manager
Commissioner of Finance & Corporate Services

Barry E. Jackson, CGA
Director of Financial Services

RESOLUTION

Whereas the United Jewish Appeal Federation of Greater Toronto (UJA) is the owner of certain real property in the City of Vaughan known as the Joseph and Wolf Lebovic Jewish Community Campus (the subject property) located on the west side of Bathurst, north of Rutherford; and

Whereas the UJA is a registered charity within the meaning of the Income Tax Act; and

Whereas the UJA wishes to build and operate the non-profit Joseph and Wolf Lebovic Jewish Community Campus at the subject property, which will include, schools, medical services, synagogue, immigrant aid services, supportive housing for physically and developmentally challenged, family and child services, pools, gymnasias; and

Whereas the UJA has received site plan approval for Phase I and II but not Phase III of the project; and

Whereas the UJA intends to lease the subject property to various occupants, who will provide charitable and non-profit services; and

Whereas section 3 of the *Assessment Act*, R.S.O 1990, c. 31, as amended, requires that a charitable organization needs to own and occupy a property in order to qualify for a property tax exemption; and

Whereas the UJA would qualify for property tax exemption under section 3 of the *Assessment Act* but for the fact that they will not be occupying the subject property; and

Whereas the UJA is applying for a Private Bill to have the subject property exempted from municipal property tax; and

Whereas the UJA is requesting that the City of Vaughan consents to such a private Bill; and

Now Therefore be it Resolved that Council of the City of Vaughan support the efforts of the UJA in its application for a Private Bill giving authority to the City of Vaughan to enact a by-law that would exempt the subject property from municipal property taxes, provided that the uses on the subject property would be exempt under the *Assessment Act* but for the fact that the subject property is not being occupied by the UJA.



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Sherman Campus - 4600 Bathurst Street - Toronto - Ontario - M2R 3V2

RECEIVED

FEB 11 2008

OFFICE OF THE MAYOR
 CITY OF VAUGHAN

David Koschitzky
 Chair of the Board

Alan Winer
 Vice Chair of the Board

Ted Sokolsky
 President & CEO

February 7, 2008

Mayor Linda Jackson
 City of Vaughan
 2141 Major Mackenzie Drive
 Vaughan, ON L6A 1T1

Dear Mayor Jackson:

**Re: Joseph and Wolf Lebovic Jewish Community Campus ("Lebovic Campus") -
 Request for Property Tax Exemption**

We wish to thank you for facilitating the recent meeting with you, city officials and MPAC. It was very helpful to have all parties together to discuss our request and respond to any concerns.

We are writing to formally request the City of Vaughan's support for our request to the Ontario Legislature to enact a private member's bill that would provide the City, and if required, the Regional Municipality, with the necessary jurisdiction to exempt the Lebovic Campus from all municipal taxes.

The Lebovic Campus, owner of the Lebovic campus property (and a subsidiary corporation of the UJA Federation of Greater Toronto) will provide a range of significant community facilities and services to the general public in Vaughan, such as schools, medical services in a satellite clinic of Mount Sinai Hospital, immigrant aid services, supportive housing for physically and developmentally challenged, family and child services, assisted living, pools, gymnasias, an ecological garden to serve educational and therapeutic purposes supporting environmental initiatives, community centres and other community meeting places. In addition to providing much-needed community facilities and services, the Lebovic Campus will actually reduce the City's capital expenditures.

The proposed property tax exemption will promote the viability of the Lebovic Campus, a not for profit entity developed with and supported by philanthropic dollars, and allow it to deliver community services without the burden of municipal taxes. The current municipal legislation does not permit the City to grant a site-specific exemption, which is why we will be asking the Ontario Legislature to enact a private member's bill. One of the requirements for obtaining such a private member's bill is an indication of support from the impacted municipality. In this regard we will also be contacting the regional government for similar support.

UJA Federation's mission is to preserve and strengthen the quality of Jewish life in Greater Toronto, Canada, Israel and around the world through philanthropic, volunteer and professional leadership.

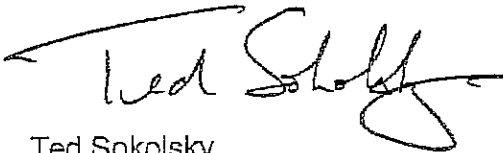


Other similar institutions in Vaughan have obtained exemption by way of a private members bill, including the Reena Foundation. Further, we advise that the treatment of the Lebovic Campus would be consistent with the treatment of similar UJA facilities in other jurisdictions, such as the City of Toronto (the Miles Nadal Centre and the Bathurst Jewish Community Centre).

We hope that Vaughan Council will support our request, which we are submitting on behalf of the Lebovic Campus, and would be in a position to enact a resolution of support as soon as possible. This would enable us to approach the Region and submit our materials to the Ontario Legislature, with the goal of having the private member's bill enacted before the summer.

Please do not hesitate to contact us if you require any additional information.

Yours truly,

A handwritten signature in black ink, appearing to read "Ted Sokolsky". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

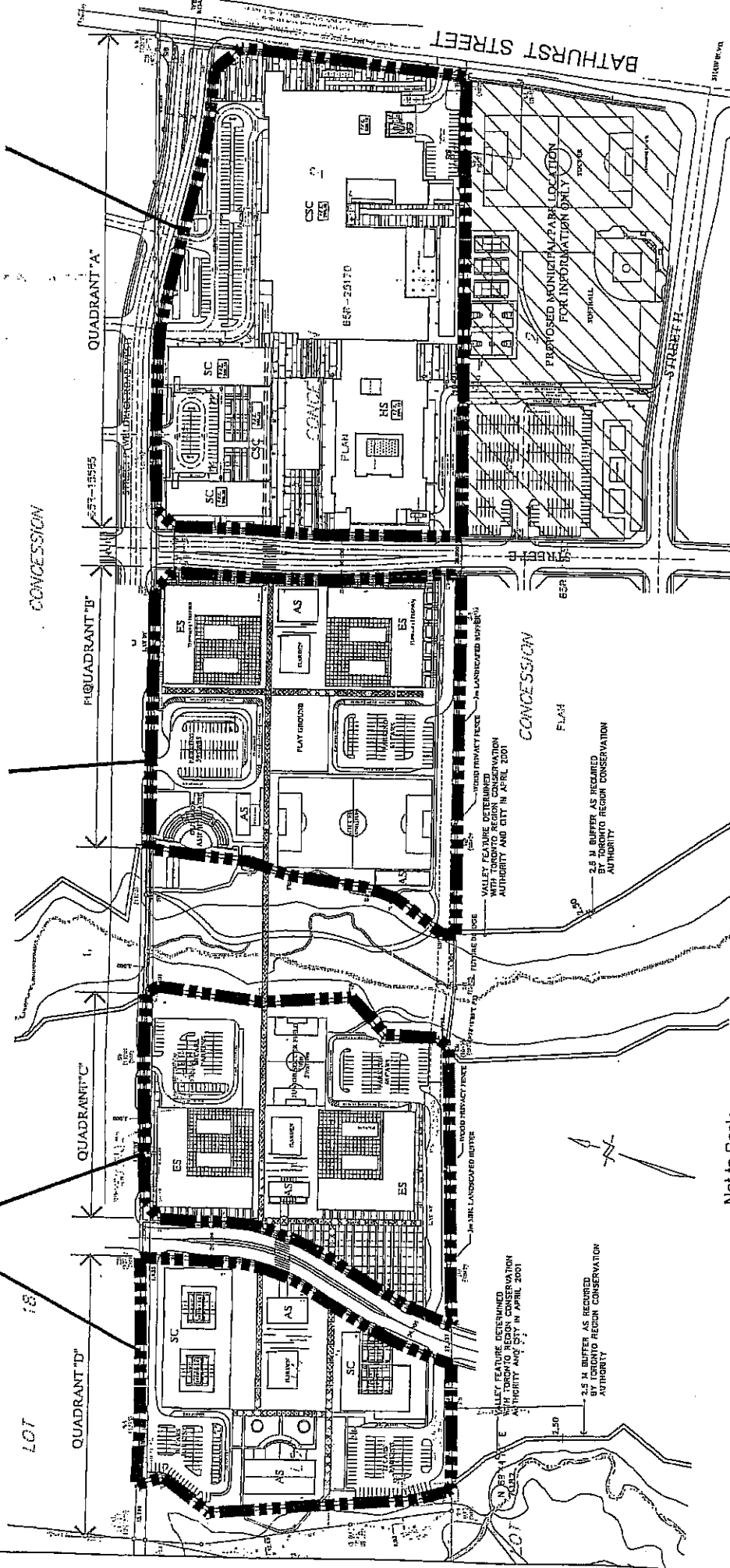
Ted Sokolsky
President and CEO

c.c. Lou Greenbaum
Barry Zagdanski
Miguel Singer
Mark S. Anshan
David Bronskill

Phase 3
Quadrants 'C' & 'D'
OP.07.003

Phase 2
Quadrant 'B'
DA.07.018

Phase 1
Quadrant 'A'
DA.03.042



Not to Scale

Not to Scale

UJA Master Plan

Part of Lots 17 & 18,
Concession 2

APPLICANT: JOSEPH & WOLF LEBOVIC
JEWISH COMMUNITY CAMPUS



The City of Vaughan
Terminis

Community Planning Department

Campus Master Plan – Approval & Proposed Buildings

- Quadrant A:** Constructed 2 – Storey Private Secondary School.
Site Plan Approved: Community Services Complex.
Site Plan Approved: Reena/Special Needs Facility.
- Quadrant B:** Proposed 2 – Storey (2) Private Elementary Schools/Synagogues.
Site Plan Application has been submitted. Approval Process is underway.
- Quadrant C & D:** Committee of the Whole/Agenda September 17/07.
Official Plan Amendment File: OP.07.003.
Zoning By-Law Amendment File: Z.07.032.