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May 1, 2008

To: Yvonne Davies, Committee Administrator
Government Management Committee
Clerks Department

From: Councillor Mike Feldman, Ward 10, York Centre

I would like to request a report back to the Government Management Committee as soon as possible as per the attached motion for a tax exemption for the United Jewish Welfare Fund's properties located at 4588 and 4600 Bathurst street.

As you know this matter has been discussed with Staff and they are aware of the request.

Thank you for your assistance regarding this matter.

Sincerely,

Mike Feldman
Councillor, Ward 10
York Centre

MF/no

Tax Exemption Agreements for 4588 & 4600 Bathurst St. (Bathurst Jewish Centre and United Jewish Welfare Fund).

SUMMARY:

The following two properties are currently subject to exemptions from property taxes as a result of private legislation, pre-amalgamation by-laws and agreements between the former City of North York and the respective property owners, as indicated below.

	Location	Owner/Facility	Private Legislation	Date of agreement	Exemption By-law
1.	4588 Bathurst St.	United Jewish Welfare Fund	<i>An Act respecting 4588 Bathurst</i> (Bill Pr. 74 – July 21, 1997)	February 2, 1998	City of North York By-law no. 33142
2.	4600 Bathurst St.	United Jewish Welfare Fund	<i>An Act respecting the United Jewish Welfare Fund</i> (Bill Pr. 31 – Nov. 27, 1984)	June 17, 1985	City of North York By-law no. 29454

Both properties are operated, either wholly or in part, as cultural community centres, and the operating agencies are registered charitable organizations as defined under the *Income Tax Act* (Canada).

The agreements between the former City of North York and the property owners require, as a condition of the tax exemption, that if any portion of the property is sold, leased or otherwise disposed of during the term of the agreement, then the property taxes foregone in the immediately preceding 10-year period become repayable to the City.

The tax exemption by-laws for these properties require that the agreements be registered on title to the property in each case. The owners have identified that the 10-year repayment provisions represent a potential unfunded liability and have asked that the City consider amending the existing agreements to delete the 10-year tax repayment requirement.

Alternatively, if the properties in question meet the eligibility requirements under the City's existing Rebate Program for Ethno-cultural Centres that provides a 100 per cent rebate of the property taxes payable on eligible portions but that has no 10-year repayment provision (City of Toronto Municipal Code Chapter 767, Article VII), it may be possible to terminate the existing agreements altogether.

RECOMMENDATIONS:

1. The Treasurer, in consultation with the City Solicitor, prepare a report for a future meeting of the Government Management Committee verifying whether these properties meet the eligibility criteria under the existing Rebate Program for Ethno-cultural Centres, and whether there are other similar properties that are exempt due to private legislation and/or pre-amalgamation agreements that would also qualify under the Ethno-cultural Rebate Program;
2. The Treasurer's report also advise on the feasibility and implications of amending or terminating the existing tax exemption agreements with the property owners in each case, with a view to maintaining the current tax exempt status of these properties, with appropriate recommendations as warranted.