

**THE CORPORATION OF THE CITY OF WINDSOR**  
**Office of the City Treasurer - Finance**



**MISSION STATEMENT:**

*"Our City is built on relationships – between citizens and their government, businesses and public institutions, city and region – all interconnected, mutually supportive, and focused on the brightest future we can create together."*

<b>LiveLink REPORT #: 16828 AF2014</b>	<b>Report Date: December 17, 2013</b>
<b>Author's Name: Janice Guthrie</b>	<b>Date to Council: January 6, 2014</b>
<b>Author's Phone: 519-255-6100 ext. 6271</b>	<b>Classification #:</b>
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**To: Mayor and Members of City Council**

**Subject: Request for Extension of Property Tax Exemption**

**1. RECOMMENDATION: City Wide:  Ward(s): \_\_\_\_\_**

THAT City Council DENY the request by the Windsor Jewish Communal Project Inc. (JCC) for a change to City by-law 2068, passed on January 4, 1960, that would extend the tax exemption enjoyed on JCC's currently owned property to also apply to an adjacent property that the organization is planning to purchase.

**EXECUTIVE SUMMARY:**

N/A

**2. BACKGROUND:**

Municipal property taxation is the City's fundamental source of revenue from which both operating and capital budgets are funded. Apart from the tax rate, an individual property owner's share of property taxes is primarily dependent upon two factors; assessment value and tax classification, both of which are determined by the Municipal Property Assessment Corporation (MPAC).

However, on occasion, there had been the ability for municipalities to provide property tax exemptions as a result of the passing of a provincial private member bills. One such case is as it relates to the Windsor Jewish Community Projects Inc. On March 27, 1958, by Royal assent, The Windsor Jewish Communal Projects Act was adopted (Appendix A). This Act provided the Council of the City of Windsor the authority, if it so wished, to pass a by-law exempting from both municipal and education tax, the land, as defined in the Assessment Act, of the Windsor Jewish Communal Projects provided that the land is owned and occupied by, used solely and

carried on for the purposes of the Windsor Jewish Communal Projects, on such conditions as may be set out in the by-law. On January 4, 1960, City Council passed By-law 2068 – A By-law to Exempt from Municipal Taxation other than Local Improvement Charges certain land of the Windsor Jewish Communal Projects (Appendix B). Specifically within the By-law, the land with regards to which the tax exemption was to apply was that known municipally as 1641 Ouellette Avenue.

This facility is used by the Windsor Jewish Communal Project Inc. (JCC) for purposes of their child, youth and family programs which include Sunday Fundays, after school programs, Jewish holiday celebrations, Mini Camps and Camp Yomee (summer day camp), all of which are related to the JCC Mission and Vision statements.

As a result of the aforementioned, the property is currently classified as exempt by MPAC and therefore there are no property taxes levied to JCC.

### **3. DISCUSSION:**

The President of the JCC, Ms. Ronna Warsh, and the Executive Director, Mr. Harvey Kessler, on behalf of the Board have approached Administration with a request to seek Council's approval to extend the current property tax exemption at 1641 Ouellette to a strip of land directly north at 1611 Ouellette (Appendix C). Currently, the lands are available for purchase and it would be the JCC's intent once acquired to demolish the existing buildings on site and use the green space for outdoor events in conjunction with their current programs. Eventually the two parcels may be consolidated but that decision will be made after the acquisition.

Ms. Warsh has indicated that the Board's decision to purchase is conditional upon receiving the property tax exemption as the ongoing property taxes would not make the purchase a viable option for the organization. A request for a continuation to the current tax exemption was brought forward to MPAC by JCC. The matter has been referred to their Policy and Legislative Branch for review. At the time of writing the official response from MPAC is that the current exemption on the assessment roll is as a result of the joint Act and City By-law and not as a result of an exemption under the Ontario Assessment Act provisions. As such, and in the absence of an official review to determine if the JCC qualifies for an exemption under the Ontario Assessment Act, to continue with an exemption, the new parcel of land would have to be referenced in an amended City By-law extending the existing exemption to also include the newly purchased adjacent property. An official review by MPAC would require the acquisition to take place first.

JCC is requesting that City Council approve an extension of the existing property tax exemption in principle at this time, and that the formal exemption be granted by an amendment to the noted by-law once the proposed purchase is actually carried out and confirmed.

Administration is not in favour of granting this request. As this exemption is not available to other religious groups (since the provincial legislation is site specific to JCC), and administration has had to deny similar requests from other faith groups, it is difficult to recommend the extension of the tax free treatment to an additional parcel of land.

There is no intention to remove the tax free designation from the existing JCC property. This is a historical treatment that has been in effect for over 50 years. The business case for the current operations has been based on the exemption and Administration recommends honouring that arrangement. However, increasing the exemption would seem to result in an unfair treatment as other faith based organizations have been denied the tax free status as the enabling legislation is specific to the JCC.

It should be noted that, based on an invitation from the JCC Board, the Deputy Treasurer-Taxation and Special Projects and our municipal liaison from MPAC recently attended a meeting of that Board. During the meeting, the rationale for the current exemption status, the process for an expanded exemption (either by way of a review under the Assessment Act or change in the City by-law) and Administration's denial recommendation to City Council was explained in detail. The Board then convened with the information provided without the Deputy Treasurer or MPAC present.

#### **4. RISK ANALYSIS:**

Typically other faith or ethnic based community centres are classified as residential for property tax purposes and therefore are taxed at the lower residential rate. Exemptions do exist for other philanthropic organizations as a result of making application to MPAC and qualifying under Section 3 of the Ontario Assessment Act. On occasion, Administration has been approached by various groups in regards to receiving a property tax exemption similar to the JCC. It has been Administration's response that the exemption exists as a result of the Windsor Jewish Communal Projects Act, 1958 and related By-law 2068 passed 53 years ago in 1960 and that no other municipal provision for an exemption is available. The organizations are encouraged to make application for exemption through MPAC's Policy and Legislative Branch.

The provisions within the Windsor Jewish Communal Projects Act, 1958 indicate that an exemption is not mandatory for JCC in regards to this exemption in that Council has to pass a By-law, at Council's discretion, in order for the exemption to apply. Therefore an extension of the tax free exemption to the proposed new property to be purchased is discretionary.

Windsor has become one of the most diverse cities in Canada in recent years. Other religious groups do not have the ability to ask the City for similar consideration as the 1958 legislation is specific to the JCC organization. Approval of the extension of the tax free status to a newly purchased property (albeit contiguous to the current exempted property) may be viewed by other groups as discriminatory. This is the basis for administration's recommended denial.

#### **5. FINANCIAL MATTERS:**

The property that is the subject of the exemption request is located at 1617 Ouellette, is assessed at \$222,000, and is designated as mixed use (meaning there is a commercial and residential component to the assessment). The 2013 property taxes were \$8,416.75 (\$5,964.17 municipal share). Administration estimates the value, of the vacant land (after demolition of the building) to be \$175,000 with annual taxes estimated based upon 2013 commercial vacant land rates at \$4,769 (\$3,152 municipal share). If the property were to be considered within the residential class, annual property taxes are estimated to be \$3,200 (municipal share \$2,880).


Therefore by granting the exemption to JCC, City Council would be foregoing the collection of approximately \$2,800 to \$3,200 in annual municipal property taxes. While this amount is not material to the City's overall budget, it would have to be paid by other property tax owners.

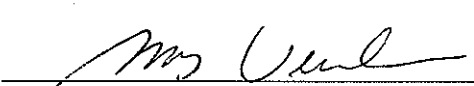
## **6. CONSULTATIONS:**

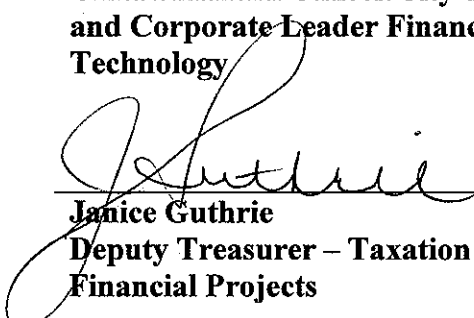
Executive Director Building/Chief Building Official  
Executive Director Planning/City Planner

## **7. CONCLUSION:**

Since the original adoption of By-law 2068 in 1960 granting the JCC a property tax exemption, there have been significant changes in property tax and assessment legislation. The ability for other community or religious organizations to seek similar treatment is not available though the noted by-law. As discussed, current practice require those organizations seeking exemptions to do so through MPC by way of the provisions found in Section 3 of the Ontario Assessment Act .The JCC facility at 1641 Ouellette has been grandfathered with this tax exemption and Administration recommends that it continue. However, Administration is recommending denial of the extension of the tax free treatment to the adjacent property being considered for purchase on the basis of fairness to other similar organizations.

  
Onorio Colucci  
Chief Financial Officer/City Treasurer  
and Corporate Leader Finance and  
Technology

  
George Wilkki  
City Solicitor and Corporate Leader  
Economic Development and Public Safety

  
Janice Guthrie  
Deputy Treasurer – Taxation and  
Financial Projects

  
Helga Reidel  
Chief Administrative Officer

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### **APPENDICES:**

**Appendix A – Windsor Jewish Communal Projects Act, 1958**

**Appendix B – By-law 2068**

**Appendix C – Site Diagram 1641 & 1617 Ouellette**

**DEPARTMENTS/OTHERS CONSULTED:****Name: LeeAnne Doyle, Executive Director Building/Chief Building Official****Phone #: 519-255-6267 ext. 6444****Name: Thom Hunt, Executive Director Planning/City Planner****Phone #: 519-255-6543 ext. 6897****NOTIFICATION :**

Name	Address	Email Address	Telephone	FAX
Harvey Kessler, Executive Director, Windsor Jewish Federation and Community Centre	1641 Ouellette Ave., Windsor, Ontario, N8X 1K9	<a href="mailto:HarveyKessler@jewishwindsor.org">HarveyKessler@jewishwindsor.org</a>	519-973-1772	

## CHAPTER 167

**An Act respecting  
Windsor Jewish Communal Projects**

*Assented to March 27th, 1958  
Session Prorogued March 27th, 1958*

**W**HEREAS Windsor Jewish Communal Projects, a Preamble corporation incorporated under *The Companies Act, R.S.O. 1950, c. 59*, by its petition has represented that it is composed of Jewish men and women of the City of Windsor and that it is erecting a Jewish Community Centre and has prayed that special legislation be passed to provide that its buildings, lands, equipment and undertaking be exempt from municipal taxation, except for local improvements; and whereas it is expedient to grant the prayer of the petition;

Therefore, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

1. The council of The Corporation of the City of Windsor may pass by-laws exempting from taxes for municipal or school purposes or both, other than local improvement charges, the land, as defined in *The Assessment Act, of the R.S.O. 1950, c. 24*, Windsor Jewish Communal Projects, provided that the land is owned by the Windsor Jewish Communal Projects and occupied by, used solely and carried on for the purposes of the Windsor Jewish Communal Projects, on such conditions as may be set out in the by-law.

2. This Act comes into force on the day it receives Royal Assent.

3. This Act may be cited as *The Windsor Jewish Communal Projects Act, 1958*.

BILL.  
No. 3.  
1960.

BY-LAW NUMBER 2068

A BY-LAW TO EXEMPT FROM MUNICIPAL TAXATION OTHER THAN LOCAL  
IMPROVEMENT CHARGES CERTAIN LAND OF THE WINDSOR JEWISH  
COMMUNAL PROJECTS.

Passed the 21<sup>st</sup> day of January, 1960.

WHEREAS Windsor Jewish Communal Projects is a corporation incorporated under The Companies Act, R.S.O. 1950, Chapter 59, and has erected a Jewish Community Centre, hereinafter called the "Centre", on certain land in the City of Windsor composed of Lots Numbers Thirty-eight (38), Thirty-nine (39), Forty (40) and Forty-one (41) in Block 10, on the west side of Ouellette Avenue, according to Registered Plan 358, and known as Municipal Number 1641 Ouellette Avenue;

AND WHEREAS The Windsor Jewish Communal Projects Act, 1958, authorizes the Council of The Corporation of the City of Windsor to pass by-laws exempting from taxes for municipal or school purposes, or both, other than local improvement charges, the land, as defined in The Assessment Act, of the Windsor Jewish Communal Projects, provided that the land is owned by the Windsor Jewish Communal Projects and occupied by, used solely and carried on for the purposes of the Windsor Jewish Communal Projects, on such conditions as may be set out in the by-law;

AND WHEREAS it is deemed expedient to enact such a by-law;

THEREFORE the Council of The Corporation of the City of Windsor enacts as follows:

1. In this by-law -

"Land" means Land as defined in The Assessment Act.

2. The land of the Windsor Jewish Communal Projects, being composed of Lots Numbers Thirty-eight (38), Thirty-nine (39), Forty (40) and Forty-one (41) in Block 10 on the west side of Ouellette Avenue, according to Registered Plan 358, and known as Municipal Number 1641 Ouellette Avenue, upon which the Centre has been erected, shall be exempt from taxes for municipal and school purposes, other than local improvement charges, so long as the land is owned by the Windsor Jewish Communal Projects and occupied by, used solely and carried on for the purposes of the Windsor Jewish Communal Projects, provided that audited, financial statements respecting the operations of the Centre are submitted annually to the Treasurer of The Corporation of the City of Windsor for the information and guidance of the Council thereof.

3.

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3. This by-law shall be deemed to have come into force on the  
First day of April, 1953.

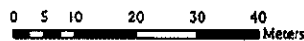
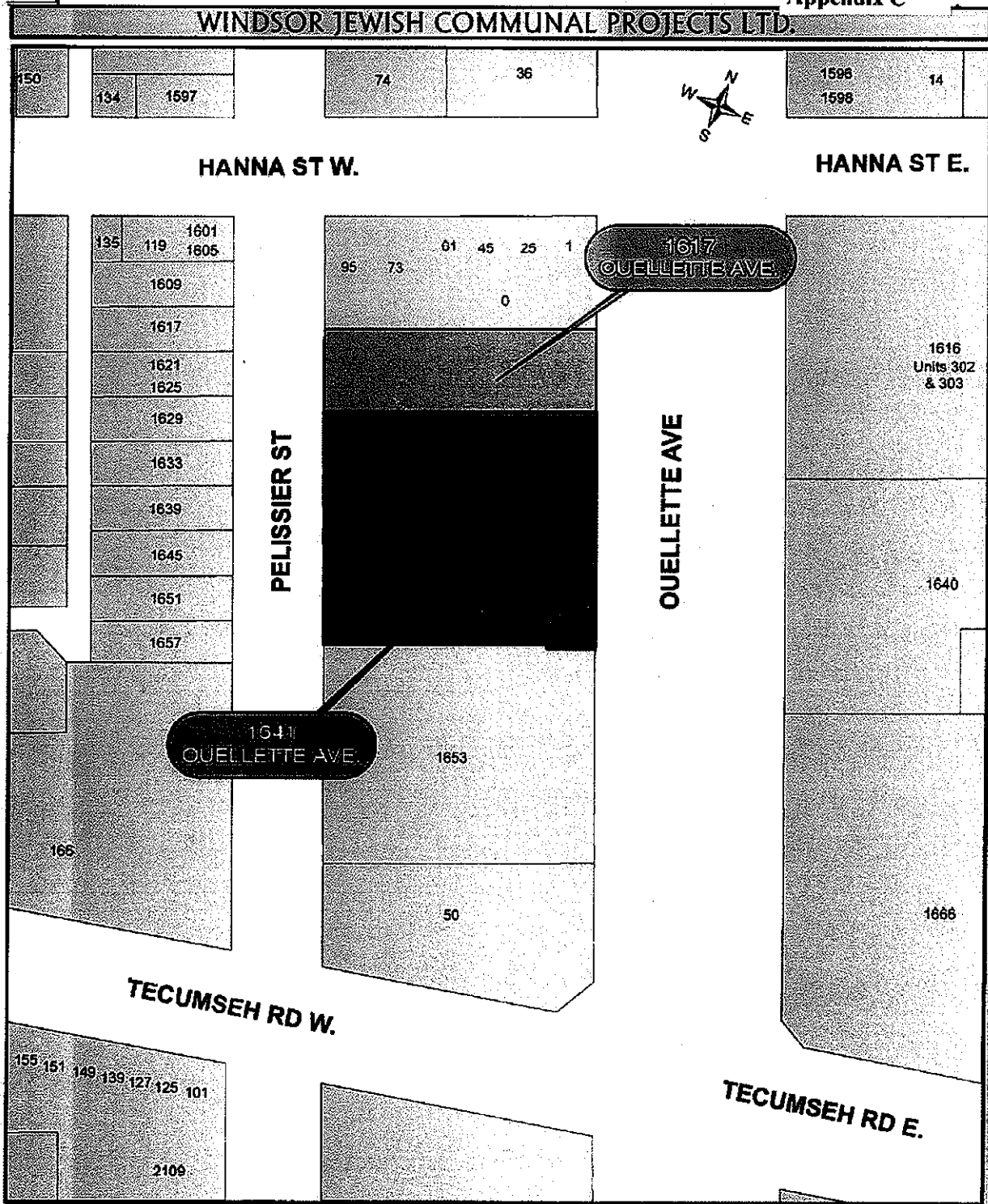
MAYOR.

CLEAR.

First reading - *June 1/60*  
Second reading - "  
Third reading - "



WINDSOR JEWISH COMMUNAL PROJECTS LTD.



October, 2013

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