



VITANOVA

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Communication
COUNCIL: <u>Nov 21/17</u>
FAA Rpt. No. <u>10</u> Item <u>8</u>

November 14, 2017

Mayor and Members of Council
City of Vaughan
2141 Major Mackenzie Drive
Vaughan, Ontario L6A 1T1

Dear Mayor and Members of Council:

Re: Finance, Administration & Audit Committee, November 6, 2017, Item 8
Development Charges Request for Deferral – The Vitanova Foundation

I write to you in my capacity as chair of The Vitanova Foundation (the "Foundation") and as a director of the Vitanova Shelter Corporation (the "Shelter"), on whose board I sit as a representative of the Foundation. It has come to my attention that questions relating to both the Foundation and Shelter have been raised publicly, to which questions I am responding on behalf of both.

1. *Does the Vitanova Shelter Corporation receive lease payments from The Vitanova Foundation?*

Yes. The Shelter, an Ontario not-for-profit corporation, owns the lands known municipally as 6299 Rutherford Road. It in turn leases the property to the Foundation, another not-for-profit corporation and a registered Canadian charity as well. The latter pays monthly rent to the former, which payments are recorded by the Foundation's auditors in their annual financial statements as part of the Foundation's overall occupancy costs. In short, the Shelter and Foundation relate to each other as landlord and tenant.

2. *Do directors of the Shelter receive any financial benefit from the Shelter?*

No. I have been connected with these corporations since 1999 and at no time has any director received any financial compensation or benefit from either corporation, though minor expenses of a reasonable nature have been reimbursed by the Foundation from time to time. The Shelter board is less active than that of the Foundation, leading me to suspect that no Shelter director has ever been reimbursed for any expense whatsoever. In any event, my understanding is that directors of not-for-profit corporations are expected to be volunteers, and indeed may be required to be so in law.

3. *Have development charges been paid previously?*

The Shelter has owned the property since 1995, when it was purchased from the original owner. We believe the building was constructed sometime during the 1970's, which would suggest that if there were any municipal charges other than a building permit they were in the form of a lot levy. We assume such levy was paid at the time as we have never heard to the contrary from the city nor was any claim registered on title for non-payment of such charge. As well, no development charges have been levied against the property since the Shelter became the owner/landlord.

Should you have any other questions, please feel free to contact me at your convenience.

Yours truly,

Michael Federico
Chair

Since 1987

Helping put lives back together again

Copy: City Clerk
City Solicitor
City Treasurer
Integrity Commissioner

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