Report – Executive Policy Committee - November 29, 2006

Item No. 1 Residential Infill Tax Credit Program – Similar Tax Credit Program by the Province of Manitoba
File EX

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 29, 2006, the Executive Policy Committee submitted the following to Council:

1. That an extension of time of 60 days be granted for the Administration to report back as directed by Council on July 26, 2006.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 29, 2006, the Executive Policy Committee recommended to Council that an extension of time of 60 days be granted for the Administration to report back as directed by Council on July 26, 2006.

COUNCIL DECISION:

On July 26, 2006, Council concurred in the recommendation of the Executive Policy Committee, as amended, and adopted the following:

1. That a Residential Infill Tax Credit Program be established as a property tax base incentive program to encourage construction by the private sector of new infill housing units in Winnipeg.

2. That the Residential Infill Tax Credit Program be approved on the basis of the principle that the program target residential parcels that have existing municipal infrastructure already in place.

3. That the Residential Infill Tax Credit Program be approved with the following eligibility conditions:

    A. The eligible project shall be either one of two forms of infill development:
        i. Small scale development of vacant or underutilized parcels that are qualified for urban uses, and
        ii. The redevelopment of properties where land previously contained a housing, commercial, or institutional development.

    B. The eligible property shall be located in areas with a density greater than 100 residential parcels per km^2 but shall exclude all Emerging Areas and Industrial Areas.

    C. The eligible property shall develop any residential structures consisting of three or less dwelling units.

    D. The eligible project shall be an owner-occupied property but shall exclude single-detached house with an assessment value above $230,000.00.

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DECISION MAKING HISTORY:

COUNCIL DECISION (continued):

4. That a Residential Infill Tax Credit Program be approved on the basis of the principle that the nature of the incentive be administered as a tax credit to the property owner in order to minimize administrative costs and financial risks to the City of Winnipeg.

5. That the Tax Credit Incentive be granted based on the following criteria:

    A. That the incentive be made available over a five (5) year period to a maximum total tax credit of $10,000.00 per eligible property. Annual credit will be granted based on 75% of the annual municipal tax portion of the completed infill development to a maximum of $2,000.00, excluding frontage levies, additional land servicing costs or other charges that may be added to the municipal tax.

    B. That the approved tax credit be transferable to allow for the sale or transfer of a completed infill development to the new property owner.

    C. That the maximum total credits offered through the program be limited to $3,000,000.00 for the duration of the program, estimated to support construction of up to 600 infill homes.

    D. That the program be implemented as a three (3) year program. During the third year, it is recommended that it be reviewed and a recommendation made on whether or not to continue the program.

6. That, subject to approval of Recommendations 1 through 5 above, the Administration be directed to undertake consultations with appropriate industry stakeholders regarding program implementation.

7. That the Administration be directed to explore and report back to Council in 60 days on the willingness and feasibility of the Province of Manitoba to provide a similar tax credit incentive based on its tax portion to enhance the infill incentive in Major Improvement Areas and Rehabilitation Areas.

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DECISION MAKING HISTORY:

COUNCIL DECISION (continued):

8. That the Administration be directed to draft a by-law for Council approval of a Residential Infill Tax Credit Program, as outlined above.

9. That the Proper Officers of the City of Winnipeg be directed to do all things necessary to implement the intent of the foregoing..