Agenda - Council - May 16, 2007

Report – Executive Policy Committee - May 9, 2007

Item No. 3 Multiple Family / Mixed-Use Building Grant Programs
File EX

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 9, 2007, the Executive Policy Committee concurred in the administrative recommendation, as amended, and submits the following to Council:

1. That the "Review of the 2002-2005 Multiple Family Dwelling Grant Program" contained in the report dated May 3, 2007 from the Director of Planning, Property and Development, be received as information.

2. That two new tax incentive programs be established to facilitate the development, redevelopment or conversion of existing properties for the purpose of increasing the stock of multiple family dwellings in the City of Winnipeg.

3. That the programs be approved with the following eligibility conditions:

    A. The eligible project shall be either one of three types:
        i. The development of new residential or mixed-use properties,
        ii. The redevelopment of vacant residential or mixed-use properties, or
        iii. The conversion of non-residential properties to residential or mixed-use properties.

    B. The eligible property shall be developed into any residential or mixed-use structures containing four (4) or more dwelling units.

4. That the primary distinction between the two new tax incentive programs be based on location; where the eligible property is located in one of the following two areas:

    A. Downtown, or

    B. Other Areas, which are defined as follows:
        i. Major Improvement Areas,
        ii. Rehabilitation Areas, and
        iii. The appended neighbourhood main street areas, which include Winnipeg's Business Improvement Zones.

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5. That the programs be approved on the basis of the principle that the nature of the incentive be administered as a tax grant to the developer rather than subsequent owners and that, in addition to assisting with the financial viability and desirability of additional multi-family dwelling developments, its goals should be to promote compact urban form, facilitate the revitalization of older neighbourhoods.

6. That the new tax incentive program targeted for Downtown be called the "Downtown Multiple Family / Mixed-Use Building Grant Program".

7. That the Tax Grant Incentive for the "Downtown Multiple Family / Mixed-Use Building Grant Program" be based on the following criteria:

    A. The funding for the grant shall be derived from the incremental municipal component of real property taxes imposed by the City of Winnipeg on both the residential and commercial component of properties during the ten (10) years immediately following the issuance of the occupancy permit.

    B. The cumulative maximum tax grant for an approved project be limited to the following:
        i. $20,000.00 per dwelling unit for an approved rental project, where the resulting dwelling unit is not converted to a condominium during the ten (10) years during which the tax grant is payable.
        ii. $20,000.00 per dwelling unit for an approved condominium project, where the resulting condominium unit has an assessed value of less than $250,000.00 immediately after the construction, redevelopment or conversion of the building.
        iii. $10,000.00 per dwelling unit for an approved condominium project, where the resulting condominium unit has an assessed value of $250,000.00 or more immediately after the construction, redevelopment or conversion of the building.

    C. That the assignment of the eligible grant be permitted as security for gap financing purposes.

    D. That the maximum total grants offered through the program be limited to $10,000,000.00 for the duration of the program.

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E. That the program apply to properties that front on streets in which water and sanitary and storm sewer mains already exist or, where the property is not serviced or is not adequately serviced, the Developer accepts responsibility for the installation or upgrading of any municipal services that are necessary to accommodate the proposed project.

F. 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.

8. That the new tax incentive program targeted for Other Areas be called the "Neighbourhood Multiple Family / Mixed-Use Building Grant Program".

9. That the Tax Grant Incentive for the "Neighbourhood Multiple Family / Mixed-Use Building Grant Program" be based on the following criteria:

A. The funding for the grant shall be derived from the incremental municipal component of real property taxes imposed by the City of Winnipeg on both the residential and commercial component of properties during the ten (10) years immediately following the issuance of the occupancy permit.

B. The cumulative maximum tax grant for an approved project be limited to the following:

i. $15,000.00 per dwelling unit for an approved rental project, where the resulting dwelling unit is not converted to a condominium during the ten (10) years during which the tax grant is payable.

ii. $15,000.00 per dwelling unit for an approved condominium project, where the resulting condominium unit has an assessed value of less than $250,000.00 immediately after the construction, redevelopment or conversion of the building.

iii. $10,000.00 per dwelling unit for an approved condominium project, where the resulting condominium unit has an assessed value of $250,000.00 or more immediately after the construction, redevelopment or conversion of the building.

C. That the assignment of the eligible grant be permitted as security for gap financing purposes.

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D. That the maximum total grants offered through the program be limited to $5,000,000.00 for the duration of the program.

E. That the program apply to properties that front on streets in which water and sanitary and storm sewer mains already exist or, where the property is not serviced or is not adequately serviced, the Developer accepts responsibility for the installation or upgrading of any municipal services that are necessary to accommodate the proposed project.

F. 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.

10. That subject to approval of Recommendations 2 through 7 above, the by-law outlined as Appendix "A" in the report dated May 3, 2007 from the Director of Planning, Property and Development, be approved (as amended), which establishes the Downtown Multiple Family / Mixed-Use Building Grant Program.

11. That subject to approval of Recommendations 2 through 5 and 8 to 9 above, the by-law outlined as Appendix "B" in the report dated May 3, 2007 from the Director of Planning, Property and Development, be approved (as amended), which establishes the Neighbourhood Multiple Family / Mixed-Use Building Grant Program.

12. 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 May 9, 2007, the Executive Policy Committee concurred in the administrative recommendation, with the following amendments, namely:

- Recommendation 7.A. and 7.B.i.
  Delete the words “six (6) years” and replace with the words “ten (10) years”

- Recommendation 9.A. and 9.B.i.
  Delete the words “six (6) years” and replace with the words “ten (10) years”,

and submitted the matter to Council.

Further on May 9, 2007, the Executive Policy Committee received a presentation dated May 9, 2007, from Mona Lemoine, Vice-Chair, Canada Green Building Council, Manitoba Chapter, with respect to the Multiple Family / Mixed-Use Building Grant Programs.

RE: MULTIPLE FAMILY / MIXED-USE BUILDING GRANT PROGRAMS

FOR SUBMISSION TO: Executive Policy Committee

ORIGINAL REPORT SIGNED BY: Director of Planning, Property and Development

REPORT DATE: May 3, 2007

RECOMMENDATION:

1. That the "Review of the 2002-2005 Multiple Family Dwelling Grant Program" contained herein be received as information.

2. That two new tax incentive programs be established to facilitate the development, redevelopment or conversion of existing properties for the purpose of increasing the stock of multiple family dwellings in the City of Winnipeg.

3. That the programs be approved with the following eligibility conditions:

    A. The eligible project shall be either one of three types:

        i. The development of new residential or mixed-use properties,

        ii. The redevelopment of vacant residential or mixed-use properties, or

        iii. The conversion of non-residential properties to residential or mixed-use properties.

    B. The eligible property shall be developed into any residential or mixed-use structures containing four (4) or more dwelling units.

4. That the primary distinction between the two new tax incentive programs be based on location; where the eligible property is located in one of the following two areas:

    A. Downtown, or

    B. Other Areas, which are defined as follows:

        i. Major Improvement Areas,

        ii. Rehabilitation Areas, and

        iii. The appended neighbourhood main street areas, which include Winnipeg's Business Improvement Zones.

5. That the programs be approved on the basis of the principle that the nature of the incentive be administered as a tax grant to the developer rather than subsequent owners and that, in addition to assisting with the financial viability and desirability of additional multi-family dwelling developments, its goals should be to promote compact urban form, facilitate the revitalization of older neighbourhoods.

6. That the new tax incentive program targeted for Downtown be called the "Downtown Multiple Family / Mixed-Use Building Grant Program".

7. That the Tax Grant Incentive for the "Downtown Multiple Family / Mixed-Use Building Grant Program" be based on the following criteria:

    A. The funding for the grant shall be derived from the incremental municipal component of real property taxes imposed by the City of Winnipeg on both the residential and commercial component of properties during the six (6) years immediately following the issuance of the occupancy permit.

    B. The cumulative maximum tax grant for an approved project be limited to the following:

        i. $20,000 per dwelling unit for an approved rental project, where the resulting dwelling unit is not converted to a condominium during the six years during which the tax grant is payable.

        ii. $20,000 per dwelling unit for an approved condominium project, where the resulting condominium unit has an assessed value of less than $250,000 immediately after the construction, redevelopment or conversion of the building.

        iii. $10,000 per dwelling unit for an approved condominium project, where the resulting condominium unit has an assessed value of $250,000 or more immediately after the construction, redevelopment or conversion of the building.

    C. That the assignment of the eligible grant be permitted as security for gap financing purposes.

    D. That the maximum total grants offered through the program be limited to $10,000,000.00 for the duration of the program.

    E. That the program apply to properties that front on streets in which water and sanitary and storm sewer mains already exist or, where the property is not serviced or is not adequately serviced, the Developer accepts responsibility for the installation or upgrading of any municipal services that are necessary to accommodate the proposed project.

F. 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.

8. That the new tax incentive program targeted for Other Areas be called the "Neighbourhood Multiple Family / Mixed-Use Building Grant Program".

9. That the Tax Grant Incentive for the "Neighbourhood Multiple Family / Mixed-Use Building Grant Program" be based on the following criteria:

    A. The funding for the grant shall be derived from the incremental municipal component of real property taxes imposed by the City of Winnipeg on both the residential and commercial component of properties during the six (6) years immediately following the issuance of the occupancy permit.

    B. The cumulative maximum tax grant for an approved project be limited to the following:

        i. $15,000 per dwelling unit for an approved rental project, where the resulting dwelling unit is not converted to a condominium during the six years during which the tax grant is payable.

        ii. $15,000 per dwelling unit for an approved condominium project, where the resulting condominium unit has an assessed value of less than $250,000 immediately after the construction, redevelopment or conversion of the building.

        iii. $10,000 per dwelling unit for an approved condominium project, where the resulting condominium unit has an assessed value of $250,000 or more immediately after the construction, redevelopment or conversion of the building.

    C. That the assignment of the eligible grant be permitted as security for gap financing purposes.

    D. That the maximum total grants offered through the program be limited to $5,000,000.00 for the duration of the program.

    E. That the program apply to properties that front on streets in which water and sanitary and storm sewer mains already exist or, where the property is not serviced or is not adequately serviced, the Developer accepts responsibility for the installation or upgrading of any municipal services that are necessary to accommodate the proposed project.

    F. 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.

10. Subject to approval of Recommendations 2 through 7 above, that Council approve the attached by-law in Appendix A, which establishes the Downtown Multiple Family / Mixed-Use Building Grant Program.

11. Subject to approval of Recommendations 2 through 5 and 8 to 9 above, that Council approve the attached by-law in Appendix B, which establishes the Neighbourhood Multiple Family / Mixed-Use Building Grant Program.

12. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report Summary

Key Issues:

- Under section 219 of The City of Winnipeg Charter, Council may by by-law establish programs of grants, loans, tax rebates and tax credits.
- The expired Multiple Family Dwelling Grant Program (MFDG Program) assisted with the construction of 532 new multi-family dwelling units by leveraging approximately $89.2 million in private investment. The projects that were supported by the MFDG Program are generating incremental tax revenues of $990,000.00 per year. The estimated pay back period for the expired MFDG Program is less than (5) years.
- The attached by-laws create the Downtown Multiple Family / Mixed-Use Building Grant Program and the Neighbourhood Multiple Family / Mixed-Use Building Grant Program that facilitate the development and/or redevelopment of infill properties for the purpose of adding additional multiple family dwellings to Winnipeg's housing stock.

Implications of the Recommendation(s):

General Implications

( ) None

(**X**) For the organization overall and/or for other departments

(**X**) For the community and/or organizations external to the City

( ) Involves a multi-year contract

Comment(s): The recommendations of this report support the development of new multi-family residential buildings and redevelopment of vacant buildings containing multi-family dwellings and the conversion of non-residential buildings. They also assist the revitalization of existing neighbourhoods and maximize the use of existing infrastructure. They uphold the principle of thoughtful development by taking maximum advantage of existing infrastructure through increased densities and compact form. They also support the City's commitment to responsive government, including consideration of long-term economic benefits and costs.

Policy Implications

(**X**) No

( ) Yes

Comment(s): Plan Winnipeg 2020 Vision supports:

1) Putting Downtown first under 1A-01 Promote Downtown Development by “iii) encouraging and supporting the adaptive reuse of heritage building, and iv) ensuring … compact urban form in the downtown”, in addition, under 1A-02 Encourage Downtown Living by “ii) providing incentives … that encourage the provision of housing including warehouse conversions and new construction throughout the downtown” and “iii) encouraging mixed-use residential development that integrates retail, service businesses, and institutions needed by downtown residents”;
2) The creation of healthy neighbourhoods under 1B-01 Support Neighbourhood Revitalization by “iv) encouraging targeted private sector investment in neighbourhoods including the provision of infill housing and local services”;
3) Addressing housing needs under 1C-01 Facilitate Provision of Safe and Affordable Housing by “iii) proposing tax increment financing and tax credit programs to facilitate affordable infill development and improve housing stock in older neighbourhoods”; and
4) Planning for growth and change under 3A-02 Promote Compact Urban Form by “iv) encouraging infilling of vacant lands and the revitalization of existing neighbourhoods to maximize the use of existing infrastructure”.

Regulatory Implications

(**X**) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s): Both the Downtown Multiple Family / Mixed-Use Building Grant Program By-law and the Neighbourhood Multiple Family / Mixed-Use Building Grant Program By-law set out eligibility requirements for developers who want to receive the tax grant but does not impose any regulatory requirements. Note the programs were designed based on sound municipal management principles and integrates high standards of service delivery.

Environmental Implications

( ) No

(**X**) Yes

Comment(s): The recommendations of this report support the City's commitment to Environmental Stewardship. The proposed programs facilitate the construction or redevelopment of buildings containing multi-family dwellings that incorporate improved energy efficiency standards thereby encouraging sustainability. They also contributes to the creation of a beautiful City by promoting the reuse of existing buildings or parcels, which will support high-quality urban design, compact urban form and promote cleanliness.

Human Resources Implications

(**X**) No

( ) Yes

Comment(s):

Financial Implications

(**X**) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s): The recommendations of this report will not result in any out-of-pocket costs for the City. The maximum total grants under the Downtown Multiple Family / Mixed-Use Building Grant Program and the Neighbourhood Multiple Family / Mixed-Use Building Grant Program amount of $15 million for the duration of the programs are to be financed by increased tax revenues generated by the specific projects.

Report

REASON FOR THE REPORT:
This report is in response to Executive Policy Committee Decision of July 6, 2005 that requested the Administration to review the 2002-2005 Multiple Family Dwelling Grant Program, and report back to Executive Policy Committee. The attached draft By-laws, which create two new tax incentive programs for multiple family and mixed use housing, can only be enacted by Council.

HISTORY:
Under section 219 of The City of Winnipeg Charter, Council may by by-law establish programs of grants, loans, tax rebates and tax credits. In Spring 2002, a proposed Multiple Family Dwelling Grant Program (MFDG Program) was developed to address vacant and boarded sites, to promote new and/or renovated multiple family development in Winnipeg's Major Improvement Areas, Rehabilitation Areas and the Downtown (in accordance with Plan Winnipeg Policy Plate D).

The proposed MFDG Program was also intended to facilitate the redevelopment of boarded-up properties in the Osborne Village area, where a new private multiple family project was planned but not deemed economically viable and not likely to proceed without funding assistance.

On May 22nd, 2002, City Council passed the Multiple Family Dwelling Grant By-Law No. 8060/2002 (MFDG By-law) to provide incentives for neighbourhood revitalization. The program was designed to provide financial assistance to multiple family redevelopment and renovation projects on vacant and boarded sites in Winnipeg's Major Improvement Areas, Rehabilitation Areas and the Downtown. The MFDG By-law was passed on the basis of a three (3) year pilot project in order to provide an opportunity to monitor and assess the impact of a multiple family tax grant program. The maximum total tax grants available under the program was limited to $3 Million.

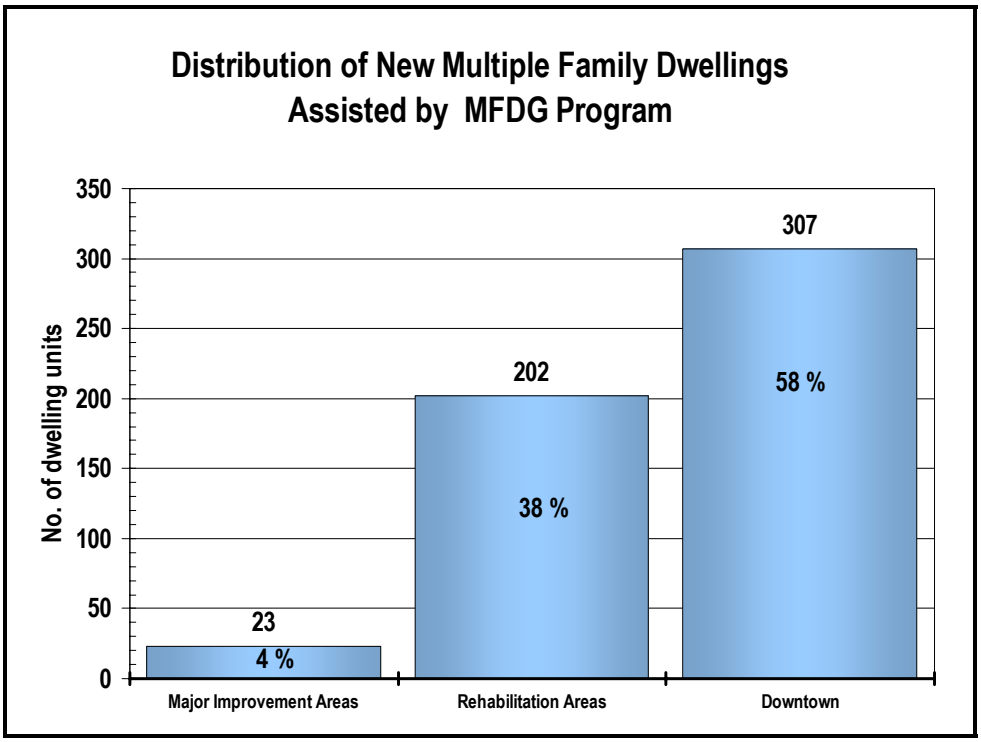
On May 22, 2005, the MFDG By-law expired. A total amount of $2.6 million had been committed for sixteen projects containing a total of 532 new dwelling units.

DISCUSSION:

Review of Multiple Family Dwelling Grant Program

The intent of the 2002-2005 Multiple Family Dwelling Grant Program (MFDG Program) was to promote private investment in infill multiple family developments, and improve the housing stock in older neighbourhoods. During this three-year pilot program, a total amount of $2.6 million in tax credits has been committed for sixteen projects containing a total of 532 new dwelling units. The program has leveraged approximately $89.2 million in private investment and generated incremental tax revenues of $990,000.00 per year. The estimated pay back period for the expired MFDG Program is less than (5) years.

When examining the list of approved projects, 58 per cent of new multi-family dwellings are destined for Downtown, 38 per cent have been created in three of the 21 Rehabilitation areas (i.e.: McMillan, River-Osborne, and Central St. Boniface), and 4 per cent in one Major Improvement Area (i.e. Spence) (see figure below). The most common tenure for these new dwellings is in the form of condominiums representing 79 per cent (i.e. 418 units) with the remaining 21 per cent destined for the rental market.



Based on the registry of all vacant and boarded buildings within the City of Winnipeg maintained by the Fire Prevention Branch, there were 61 vacant and/or boarded multiple family structures within the City of Winnipeg in 2006, compared to 133 in 2002. This represents a decrease of 54 per cent. Although the exact correlation between the decrease in vacant and boarded sites and the MFDG Program has not been determined, the MFDG Program has been a contributing factor, since it has supported the redevelopment of 16 vacant and/or boarded sites.

Overall, the 2002-2005 Multiple Family Dwelling Grant Program achieved seven out of the nine intended goals. The following table summarizes the list of intended goals of the pilot MFDG Program and accompanying results.

Intended Goals of the pilot MFDG Program	Results	Achieved Goal
Reduce the number of vacant and boarded-up dwellings	Reduction of 54 %	Yes
Facilitate affordable infill development	114 units out of 532 representing 21%	Inconclusive
Improve housing stock in older neighbourhoods	Facilitated the development of 532 new dwelling units	Yes
Promote private sector investment in infill multiple family development	Leveraged $89 million	Yes
Promote redevelopment of vacant and boarded sites	16 vacant sites were developed	Yes
Improve the physical, social and economic environment	Residential projects promote neighbourhood stability	Yes
Improve affordability	Difficult to measure quantitative effect	Inconclusive
Supported projects that were not otherwise viable	All sixteen projects	Yes
Promote overall increase in property values and assessment	Annual increase in property values 23%	Yes

<u>Proposed improvements to the expired Multiple Family Dwelling Grant Program</u>
It is proposed that two new programs be created with the following improvements:

1) That the maximum tax grant for an approved project be derived on a per-dwelling-unit basis versus per-project basis. For example, under the proposed programs a rental project with 50 dwelling units destined for Downtown would be eligible for a maximum total tax grant of $1,000,000.00 over six years, and a condo project with 50 low-to-mid-priced condo units destined for Rehabilitation Area would be eligible for a maximum total tax grant of $750,000.00 over six years. The two proposed programs will permit funding for a full range of housing – from low-cost to upper-end housing within the targeted areas. They will also encourage the creation of mixed-use buildings because, in addition to the residential portion, the per-dwelling-unit maximum can be applied against the incremental taxes on the commercial portion of the building. As a result, a building with lower-cost dwelling units that might not otherwise qualify for the maximum could benefit from the full amount due to the existence of a commercial aspect to the building.

2) That the funding source for the grant would be derived from the incremental municipal component of the real property taxes imposed by City of Winnipeg, including both the residential and commercial components of a project. This promotes compatible mixed-use properties, and enhances the financial viability of projects. It also supports the protection and creation of character areas while enhancing business vitality by intensifying the consumer base.

3) That the type of eligible projects under these programs be expanded to include the conversion of non-residential properties to residential or mixed-use properties. This encourages the adaptive reuse of buildings, and facilitates Downtown living. It also provides for more efficient use of limited land resources and encourages development patterns that is more economically, environmentally and socially sound.

4) That the targeted areas for the Neighbourhood Multiple Family / Mixed-Use Building Grant Program, which include Major Improvement Areas, and Rehabilitation Areas, be expanded to include neighbourhood main street areas within the City of Winnipeg. Neighbourhood main street areas have been selected in order to define a portion of older mature neighbourhoods and distinctive geographies within Winnipeg. These neighbourhood character areas are distinguished by attributes such as urban densification and mixed use, including healthy mixes of housing, commercial and other community services. Business Improvement Zones (BIZs) define most of these areas but two others have also been identified in the By-law. The proposed program will encourage residential intensification around neighbourhood character main streets and strengthen Winnipeg's neighbourhood business districts. Examples of the areas targeted by the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (with related neighbourhood main streets) are: Old North End (Selkirk Avenue), North St Boniface (Provencher), Old Transcona (Regent Avenue East), Fort Rouge (Corydon), Osborne Village (Osborne), River Heights (Academy), Riverview (south Osborne), Wolseley (Westminister), Elmwood (south Henderson), West Broadway (Broadway), South Point Douglas (Waterfront), North Point Douglas (Euclid).

5) That the maximum total tax grants offered through the Downtown Multiple Family / Mixed-Use Building Grant Program and the Neighbourhood Multiple Family / Mixed-Use Building Grant Program be limited to a total of $15,000,000 for both programs for the duration of the three (3) year programs, which is estimated to assist the development of over 1500 multi-family dwelling units.

6) That where an eligible property is not serviced or is inadequately serviced by water and storm and sanitary sewer mains for the proposed project, the grant is payable so long as the applicant pays the costs of installing or upgrading the water and storm and sanitary sewer mains. Although the areas targeted by these programs are all in the downtown area or existing developed neighbourhoods, there may be occasional situations where water and storm and sanitary sewer mains are not in place. In other situations, the existing mains may be inadequate

for the project. In such situations, the program should still apply so long as the developer pays the costs of installing or upgrading the mains.

Financial Impact Statement Date: April 24, 2007

Project Name:

MULTIPLE FAMILY/MIXED-USE BUILDING GRANT PROGRAMS

COMMENTS:

While there will be financial implications should Council approve the recommendations contained within this report, neither the timing nor amounts involved are determinable at this time. However, the recommendations, if approved, will not result in any out-of-pocket costs for the City. The proposed maximum total grants amount of $15 million for the duration of both programs is to be financed by increased tax revenues generated by the specific projects. Once the six-year period, on which the increased municipal tax revenue has been credited to the successful applicants, has passed, all municipal taxation revenue will accrue to General Revenue Fund.

"Original Signed By"
Mike McGinn, CA
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
Legal Services
Property Assessment
Corporate Finance

External Consultation With:
Canada Mortgage and Housing Corporation
Centre Venture
Downtown BIZ
Exchange District BIZ
Manitoba Home Builders Association
Manitoba Housing Rehabilitation Corporation
Urban Development Institute
Winnipeg Real Estate Board

THIS REPORT SUBMITTED BY:

Department	Planning, Property and Development Department
Division	Real Estate
Prepared by:	David Stansen $_{MBA}$, Branch Manager, Housing Development
File No.	

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APPENDIX A

THE CITY OF WINNIPEG

BY-LAW NO. .

A By-law of THE CITY OF WINNIPEG to implement the Downtown Multiple Family / Mixed-Use Building Grant Program.

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

Short title

1. This By-law may be cited as the Downtown Multiple Family / Mixed-Use Building Grant Program By-law.

Definitions

2. In this By-law

"applicant" means the owner of property who personally or through an agent applies for a conditional approval under section 5 of this By-law;

"base year" means the calendar year in which building permits were issued in respect of the project;

"building permit" means a permit issued pursuant to the Winnipeg Building By-law authorizing construction in respect of a new, redeveloped or converted building;

"conversion" means a change in the assessment designation of a property to Residential 2 or Residential 3 from an assessment designation other than Residential 1, Residential 2 or Residential 3, as those terms are used in the *Classification of Property and Portioned Values Regulation 184/98* pursuant to *The Municipal Assessment Act*, C.C.S.M. c. M226.

"Director" means the Director of Planning, Property and Development for the City of Winnipeg or designate;

"Downtown" means the geographic area of the City of Winnipeg to which the Downtown Zoning By-law No. 100/2004 applies;

"dwelling unit" means a self-contained unit that has facilities for living, sleeping, and the preparation and consumption of food and includes a condominium;

"eligible project" means a project that meets the conditions set out in section 4;

"eligible property" means property on which an eligible project is located;

“incremental municipal taxes” means the municipal portion of real property taxes imposed on the property on which an approved project is located during the complete calendar years immediately following issuance of an occupancy permit in respect of the approved project less the municipal real property taxes which would have been imposed on the said land in the Base Year if the project had not been constructed;

“mixed use building” means a building

(a) that contains four or more dwelling units; and

(b) a part of which is classified for assessment purposes as either Residential 2 or 3 and a part of which is otherwise classified;

“multiple family residential building” means a building that contains four or more dwelling units and is designated for assessment purposes as Residential 2 or Residential 3, as those terms are used in the *Classification of Property and Portioned Values Regulation 184/98* pursuant to *The Municipal Assessment Act*, C.C.S.M. c. M226.;

“occupancy permit” means a building occupancy permit issued pursuant to the Winnipeg Building By-law;

"owner" means a person who is the owner of a freehold estate in real property, and includes

(a) a person who is an owner, with another person as joint tenant or tenant in common, of a freehold estate; and

(b) a real owner, as defined in subsection 1(1) of *The Municipal Assessment Act*;

“property” means real property identified by roll number on the tax roll but does not include a condominium;

“real property taxes” means municipal taxes imposed by the City of Winnipeg for its own purposes on the residential component of properties pursuant to clauses 334(1)(a) and 341(1) of *The City of Winnipeg Charter* and, for greater certainty, does not include:

(a) taxes levied for school purposes;
(b) business taxes;
(c) personal property taxes;
(d) local improvement taxes;
(e) frontage levies;
(f) arrears of taxes;
(g) penalties;
(h) any amounts added to taxes for the recovery of a debt pursuant to a statutory authority;

“redevelopment” means the process by which a residential or mixed use building that has been vacant for 12 months or more

(a) in the case of a residential building, has been issued an occupancy permit for residential occupancy; and

(b) in the case of a mixed use property, has been issued occupancy permits for both residential and commercial occupancies;

"vacant" in relation to a building means a building that is not being used or occupied.

Tax grant payable to developers of eligible projects

3(1) Subject to this section and section 470 of *The City of Winnipeg Charter*, a grant in the amount of the incremental municipal taxes payable on a property on which an eligible project is located shall be paid by the Director to an applicant

(a) whose project has been issued a conditional approval under this By-law which has not expired; and

(b) whose project meets all of the eligibility requirements set out in section 4.

3(2) Subject to this section, the grant referred to in subsection (1) shall be paid for each complete calendar year in which incremental taxes are payable in respect of the property.

3(3) Notwithstanding any other provision of this By-law, the grant referred to in subsection (1) shall not be paid for more than a total of six calendar years in respect of an eligible property.

3(4) Notwithstanding any other provision of this By-law, the total amount of the grant paid pursuant to subsection (1) in respect of any eligible property must not exceed the following:

(a) $20,000 per dwelling unit for an approved rental project, where the property is not registered pursuant to section 4 of *The Condominium Act* during the period during which a grant is payable pursuant to this By-law;

(b) $20,000 per dwelling unit for an approved condominium project, where the resulting condominium units have an assessed value of less than $250,000, as finally determined including revisions or the results of appeals made pursuant to clause 343(2)(a) of The City of Winnipeg Charter, if any, as of the date the project meets the requirement set out in clause 4(f); and

(c) $10,000 per dwelling unit for an approved condominium project, where the resulting dwelling unit has an assessed value of $250,000 or more as finally determined including revisions or the results of appeals made pursuant to clause 343(2)(a) of The City of Winnipeg Charter, if any, as of the date the project meets the requirement set out in clause 4(f).

3(5) For greater certainty, where the property is registered under *The Condominium Act* during the period during which a grant is payable pursuant to

this By-law, the maximum grant payable in respect of the approved project shall be determined by clauses (4)(b) or (c), as the case may be.

3(6) The person to whom a grant is payable may assign the grant but the Director may require that the assignor pay an administrative fee for an assignment.

Eligibility requirements

4 A project is eligible for a tax grant pursuant to this By-law if all of the following conditions are met:

(a) the owner or agent of the owner of the property on which the project is proposed to be located has applied under section 5 of this By-law for conditional approval prior to the completion of the project;

(b) the property on which the project is situated is located in the Downtown;

(c) the property on which the project is situated fronts on a street in which water and sanitary and storm sewer mains have been placed or, where water and storm sewer mains have not been so placed or are inadequate for the proposed project, the applicant agrees to pay the costs of installing or upgrading them;

(d) the project consists of one of the following:

(i) construction of a new multiple family residential or mixed-use building;

(ii) redevelopment of an existing multiple family residential or mixed-use building that has been vacant for 12 months or more;

(iii) conversion of a building that is neither a multiple family residential building nor a mixed-use building to either a multiple family residential or mixed-use building;

(e) building permits for the project have not been issued prior to January 1, 2007;

(f) the project results in a multiple family residential or mixed use building which has been issued one or more occupancy permits authorizing the use of the entire building for residential occupancies or, in the case of a mixed use property, for both residential and non-residential occupancies;

(g) where the property on which the project is situated does not front on a street in which water and sanitary and storm sewer mains have been placed prior to the project being initiated or where the water or sanitary or storm sewer mains that have been placed are inadequate for the proposed project, the applicant has paid the costs of installing or upgrading them.

Application

5(1) An owner or the agent of an owner of property may, prior to the expiration of this By-law, apply to the Director for conditional approval of a grant that will be payable pursuant to this By-law if the project is or becomes eligible.

5(2) The Director may refuse to accept an application where it appears that issuing a conditional approval will result in grants being paid pursuant to this By-law that will exceed the sum authorized by Council for this purpose.

Conditional approval of application

6(1) The Director may issue a conditional approval of an application if:

(a) the application has been made prior to the expiration of this By-law;

(b) the Director is satisfied that the project proposed to be constructed on the property meets or, after being constructed, is likely to meet the eligibility requirements set out in section 4; and

(c) issuing the conditional approval will not result in grants being paid pursuant to this By-law that will exceed the sum authorized by Council for this purpose.

6(2) Without restricting the generality of clause (1)(b), before issuing a conditional approval, the Director may require an applicant to provide evidence that an existing residential or mixed-use building proposed to be redeveloped has been vacant for a period of 12 months or more.

6(3) The Director may delay issuing a conditional approval until a representative from the Property Assessment Department of the City has had an opportunity to inspect the property and, if necessary, amend the Assessment Roll and the Tax Roll.

6(4) A conditional approval issued under this section expires:

(a) one year after the conditional approval has been issued unless building permits for the project have been issued;

(b) four years after the conditional approval has been issued unless clauses 4(f) and (g) have been satisfied.

Administration

7(1) The Director may conduct inspections and take steps to administer and enforce this By-law in accordance with *The City of Winnipeg Charter* and, for those purposes, has the powers of a “designated employee” under *The City of Winnipeg Charter*.

7(2) Without restricting the generality of subsection (1), the Director may require that the applicant contact the Director in a manner authorized by the Director to advise that the project meets all of the eligibility requirements set out in section 4.

7(3) Where it is necessary to determine an address for service on a person, the following addresses may be used:

(a) if the person is an applicant, the address provided by the applicant in an application under this By-law;

(b) if the person is not an applicant, but is the owner of real property, the address maintained by the Tax Collector for the purpose of issuing the tax notice for that property.

(c) in all other situations, any address maintained by any department of the City of Winnipeg for the person.

7(4) A decision made by the Director or the Tax Collector under this By-law may be appealed to the Standing Policy Committee on Property and Development.

Coming into force and expiration

9(1) This By-law comes into force on June 1, 2007.

9(2) This By-law expires three years after the date it comes into force.

DONE AND PASSED, in Council assembled, this day of , 2007.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Planning,
Property and Development

Certified as to form:

_____
for City Solicitor/Manager of
Legal Services

APPENDIX B

THE CITY OF WINNIPEG

BY-LAW NO. .

A By-law of THE CITY OF WINNIPEG to implement the Neighbourhood Multiple Family/ Mixed-Use Building Grant Program.

THE CITY OF WINNIPEG, in Council assembled, enacts as follows:

Short title

1. This By-law may be cited as the Neighbourhood Multiple Family/Mixed-Use Building Tax Grant Program By-law.

Definitions

2. In this By-law

"applicant" means the owner of property who personally or through an agent applies for a conditional approval under section 5 of this By-law;

"base year" means the calendar year in which building permits were issued in respect of the project;

"building permit" means a permit issued pursuant to the Winnipeg Building By-law authorizing construction in respect of a new, redeveloped or converted building;

"conversion" means a change in the assessment designation of a property to Residential 2 or Residential 3 from an assessment designation other than Residential 1, Residential 2 or Residential 3, as those terms are used in the *Classification of Property and Portioned Values Regulation 184/98* pursuant to *The Municipal Assessment Act*, C.C.S.M. c. M226.

"Director" means the Director of Planning, Property and Development for the City of Winnipeg or designate;

"dwelling unit" means a self-contained unit that has facilities for living, sleeping, and the preparation and consumption of food and includes a condominium;

"eligible project" means a project that meets the conditions set out in section 4;

"eligible property" means property on which an eligible project is located;

"incremental municipal taxes" means the municipal portion of real property taxes imposed on the property on which an approved project is located during the complete calendar years immediately following issuance of an occupancy permit in respect of the approved project less the municipal real property taxes which would

have been imposed on the said land in the Base Year if the project had not been constructed;

"Major Improvement Neighbourhood" means a neighbourhood identified as a Major Improvement Neighbourhood shown in Policy Plate "D" of *Plan Winnipeg: 2020 Vision*;

"mixed use building" means a building

(a) that contains four or more dwelling units; and

(b) a part of which is classified for assessment purposes as either Residential 2 or 3 and a part of which is otherwise classified;

"multiple family residential building" means a building that contains four or more dwelling units and is designated for assessment purposes as Residential 2 or Residential 3, as those terms are used in the *Classification of Property and Portioned Values Regulation 184/98* pursuant to *The Municipal Assessment Act*, C.C.S.M. c. M226.;

"neighbourhood main street area" means an area described in Schedule "A" to this By-law:

"occupancy permit" means a building occupancy permit issued pursuant to the Winnipeg Building By-law;

"owner" means a person who is the owner of a freehold estate in real property, and includes

(a) a person who is an owner, with another person as joint tenant or tenant in common, of a freehold estate; and

(b) a real owner, as defined in subsection 1(1) of *The Municipal Assessment Act*;

"property" means real property identified by roll number on the tax roll but does not include a condominium;

"real property taxes" means municipal taxes imposed by the City of Winnipeg for its own purposes on the residential component of properties pursuant to clauses 334(1)(a) and 341(1) of *The City of Winnipeg Charter* and, for greater certainty, does not include:

(a) taxes levied for school purposes;
(b) business taxes;
(c) personal property taxes;
(d) local improvement taxes;
(e) frontage levies;
(f) arrears of taxes;
(g) penalties;
(h) any amounts added to taxes for the recovery of a debt pursuant to a statutory authority;

"redevelopment" means the process by which a residential or mixed use building that has been vacant for 12 months or more

(a) in the case of a residential building, has been issued an occupancy permit for residential occupancy; and

(b) in the case of a mixed use property, has been issued occupancy permits for both residential and commercial occupancies;

"Rehabilitation Neighbourhood" means a Rehabilitation Neighbourhood shown in Policy Plate "D" of *Plan Winnipeg: 2020 Vision*;

"vacant" in relation to a building means a building that is not being used or occupied.

Tax grant payable to developers of eligible projects

3(1) Subject to this section and section 470 of *The City of Winnipeg Charter*, a grant in the amount of the incremental municipal taxes payable on a property on which an eligible project is located shall be paid by the Director to an applicant

(a) whose project has been issued a conditional approval under this By-law which has not expired; and

(b) whose project meets all of the eligibility requirements set out in section 4.

3(2) Subject to this section, the grant referred to in subsection (1) shall be paid for each complete calendar year in which incremental taxes are payable in respect of the property.

3(3) Notwithstanding any other provision of this By-law, the grant referred to in subsection (1) shall not be paid for more than a total of six calendar years in respect of an eligible property.

3(4) Notwithstanding any other provision of this By-law, the total amount of the grant paid pursuant to subsection (1) in respect of any eligible property must not exceed the following:

(a) $15,000 per dwelling unit for an approved rental project, where the property is not registered pursuant to section 4 of *The Condominium Act* during the period during which a grant is payable pursuant to this By-law;

(b) $15,000 per dwelling unit for an approved condominium project, where the resulting condominium units have an assessed value of less than $250,000, as finally determined including revisions or the results of appeals made pursuant to clause 343(2)(a) of The City of Winnipeg Charter, if any, as of the date the project meets the requirement set out in clause 4(f); and

(c) $10,000 per dwelling unit for an approved condominium project, where the resulting dwelling unit has an assessed value of $250,000 or more as finally determined including revisions or the results of appeals made

pursuant to clause 343(2)(a) of The City of Winnipeg Charter, if any, as of the date the project meets the requirement set out in clause 4(f).

3(5) For greater certainty, where the property is registered under *The Condominium Act* during the period during which a grant is payable pursuant to this By-law, the maximum grant payable in respect of the approved project shall be determined by clauses (4)(b) or (c), as the case may be.

3(6) The person to whom a grant is payable may assign the grant but the Director may require that the assignor pay an administrative fee for an assignment.

Eligibility requirements

4 A project is eligible for a tax grant pursuant to this By-law if all of the following conditions are met:

(a) the owner or agent of the owner of the property on which the project is proposed to be located has applied under section 5 of this By-law for conditional approval prior to the completion of the project;

(b) the property on which the project is situated is located in one of the following areas:

(i) a Major Improvement Area;

(ii) a Rehabilitation Area;

(iii) a neighbourhood main street area;

(c) the property on which the project is situated fronts on a street in which water and sanitary and storm sewer mains have been placed or, where water or sanitary or storm sewer mains have not been so placed or are inadequate for the proposed project, the applicant agrees to pay the costs of installing or upgrading them;

(d) the project consists of one of the following:

(i) construction of a new multiple family residential or mixed-use building;

(ii) redevelopment of an existing multiple family residential or mixed-use building that has been vacant for 12 months or more;

(iii) conversion of a building that is neither a multiple family residential building nor a mixed-use building to either a multiple family residential or mixed-use building;

(e) building permits for the project have not been issued prior to January 1, 2007;

(f) the project results in a multiple family residential or mixed use building which has been issued one or more occupancy permits authorizing the use of the entire building for residential occupancies or, in the case of a mixed use property, for both residential and non-residential occupancies;

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Application

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(a) the application has been made prior to the expiration of this By-law;

(b) the Director is satisfied that the project proposed to be constructed on the property meets or, after being constructed, is likely to meet the eligibility requirements set out in section 4; and

(c) issuing the conditional approval will not result in grants being paid pursuant to this By-law that will exceed the sum authorized by Council for this purpose.

6(2) Without restricting the generality of clause (1)(b), before issuing a conditional approval, the Director may require an applicant to provide evidence that an existing residential or mixed-use building proposed to be redeveloped has been vacant for a period of 12 months or more.

6(3) The Director may delay issuing a conditional approval until a representative of the Property Assessment Department of the City has had an opportunity to inspect the property and, if necessary, amend the Assessment Roll and the Tax Roll.

6(4) A conditional approval issued under this section expires:

(a) one year after the conditional approval has been issued unless building permits for the project have been issued;

(b) four years after the conditional approval has been issued unless clause 4(f) and (g) have been satisfied.

Administration

7(1) The Director may conduct inspections and take steps to administer and enforce this By-law in accordance with *The City of Winnipeg Charter* and, for those purposes, has the powers of a "designated employee" under *The City of Winnipeg Charter*.

7(2) Without restricting the generality of subsection (1), the Director may require that the applicant contact the Director in a manner authorized by the Director to advise that the project meets all of the eligibility requirements set out in section 4.

7(3) Where it is necessary to determine an address for service on a person, the following addresses may be used:

(a) if the person is an applicant, the address provided by the applicant in an application under this By-law;

(b) if the person is not an applicant, but is the owner of real property, the address maintained by the Tax Collector for the purpose of issuing the tax notice for that property.

(c) in all other situations, any address maintained by any department of the City of Winnipeg for the person.

7(4) A decision made by the Director or the Tax Collector under this By-law may be appealed to the Standing Policy Committee on Property and Development.

Schedules form part of By-law

8. Schedule "A", attached hereto, forms part of this By-law.

Coming into force and expiration

9(1) This By-law comes into force on June 1, 2007.

9(2) This By-law expires three years after the date it comes into force.

DONE AND PASSED, in Council assembled, this day of , 2007.

_____
Mayor

_____
City Clerk

Approved as to content:

_____
Director of Planning,
Property and Development

Certified as to form:

_____
for City Solicitor/Manager of
Legal Services

SCHEDULE "A"
to the Neighbourhood Multiple Family/Mixed-Use Building Grant Program By-law

The following areas are "neighbourhood main street areas" for the purposes of the Neighbourhood Multiple Family/Mixed-Use Building Grant Program By-law:

1. The areas within the boundaries of the following Business Improvement Zones as described in the By-laws creating them:

(a) Academy Road Business Improvement Zone

(b) Corydon Avenue Business Improvement Zone

(c) French Quarter Business Improvement Zone

(d) Grosvenor Square Business Improvement Zone

(e) Mosaic Market Business Improvement Zone

(f) Norwood Grove Business Improvement Zone

(g) Old St. Vital Business Improvement Zone

(h) Osborne South Business Improvement Zone

(i) Osborne Village Business Improvement Zone

(j) St. James Village Business Improvement Zone

(k) Selkirk Avenue Business Improvement Zone

(l) Transcona Business Improvement Zone

(m) West Broadway Business Improvement Zone

(n) West End Winnipeg Business Improvement Zone

2. South Henderson Highway, which includes all properties fronting on Henderson Highway between Talbot Avenue and McLeod Avenue.

3. St. Norbert, which includes all properties fronting on Pembina Highway between Cloutier Drive and Avenue de l'Eglise.