Agenda - Executive Policy Committee - July 9, 2008

Report - Standing Policy Committee on Property and Development - June 24, 2008

Item No. 1 Riverbank Stabilization of Private Property within the City of Winnipeg - Cost Benefit Analysis
File PR-4.5

STANDING COMMITTEE RECOMMENDATION:

On June 24, 2008, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service, as amended, and submits the following to Council:

1. That the Project Requirements, Program Criteria and Process (as outlined in Appendix A to the report from the Director of Planning, Property and Development dated June 19, 2008) to establish the Riverbank Stabilization Grant Program be approved.

2. That $1,000,000.00 be included in the 2009 Capital Budget and be used for the Grant portion of the above Riverbank Stabilization Grant Program.

3. That the Chief Administrative Officer be delegated authority to:

   A. Establish and amend individual Project Agreements with affected property owners;

   B. Determine, allocate and distribute to each successful program applicant the grant money associated with this Program as per the Program's Criteria and Procedures; and

   C. Establish and amend technical criteria associated with Project evaluation and Program requirements.

4. That consideration be given to using the Local Improvement Process as a mechanism of obtaining the required 100% support from all of the affected property owners, and as a method financing the property owners portion of the project cost.

5. That this Program be reviewed during the 2009 Program year and that recommendations for extending, discontinuing, or amending the Program made to Council in time for implementation in the 2010 and subsequent Capital Programs.

6. That the City Solicitor/Manager of Legal Services be requested to prepare the necessary by-laws for consideration of Council.

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

Agenda - Executive Policy Committee - July 9, 2008

Report - Standing Policy Committee on Property and Development - June 24, 2008

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On June 24, 2008, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service, as amended, namely:

- Add the following Recommendation and renumber the remaining Recommendations accordingly:

    4. That consideration be given to using the Local Improvement Process as a mechanism of obtaining the required 100% support from all of the affected property owners, and as a method financing the property owners portion of the project cost,

and submitted the matter to the Executive Policy Committee and Council.

STANDING COMMITTEE RECOMMENDATION:

On May 20, 2008, the Standing Policy Committee on Property and Development laid the matter over and requested the Winnipeg Public Service to report back to its meeting on June 24, 2008 on the following:

1. A City of Winnipeg riverbank stabilization program which would allow private property owners to collaboratively undertake riverbank stabilization works with their own forces on privately owned property. This program would include:
    - A. Criteria and parameters regarding City involvement
    - B. A financing mechanism which would
        - i. allow participants to pay back initial costs over time
        - ii. provide the City with a reasonable assurance of payback within the lifecycle of the improvements, and
        - iii. be for a period of no greater than 20 years
    - C. A grant portion with procedures and criteria to determine priority applicants and with a grant cap of 25% of the value of the works directly related to critical riverbank stabilization.

2. That the City of Winnipeg establish as part of the proposed riverbank stabilization program a capital grant fund of up to $1,000,000.00 in accordance with the above.

Report - Standing Policy Committee on Property and Development - June 24, 2008

DECISION MAKING HISTORY (continued):

STANDING COMMITTEE RECOMMENDATION (continued):

3. That the source of capital funds be referred to the Standing Policy Committee on Finance for consideration in the 2009 Capital Budget process.

On January 29, 2008, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service, with the following amendments, namely:

- Delete Recommendation 2. in its entirety and replace with the following:

  "1. D. The establishment of a City of Winnipeg capital grant fund of up to $1,000,000.00 in accordance with the above."

- Amend Recommendation 3. by deleting the word "That", adding the word "to" after the word funds and renumbering it 1. E.

On January 8, 2008, the Standing Policy Committee on Property and Development laid the matter over.

On November 27, 2007, the Standing Policy Committee on Property and Development further laid the matter over to its meeting scheduled for January 8, 2008 and requested the Winnipeg Public Service to report back.

On September 4, 2007, the Standing Policy Committee on Property and Development laid over consideration of the matter to the meeting of the Committee scheduled for November 27, 2007, and directed the Administration to report back on the development of a policy for the establishment of a City of Winnipeg funding program for riverbank stabilization of privately owned properties, together with priority criteria, taking into consideration, but not limited to, any or all of the following, namely:

A. Define lost revenues due to decreased assessment;
B. Tax Increment financing as a City funding method;
C. The Local Improvement process to assist homeowners in paying their share.

Report - Standing Policy Committee on Property and Development - June 24, 2008

DECISION MAKING HISTORY (continued):

COUNCIL DECISION:

On June 20, 2007, Council adopted Item 1 of the Report of the Standing Policy Committee on Property and Development dated May 22, 2007, which recommended:

1. That the Administration be directed to develop a policy for the establishment of a City of Winnipeg funding program for riverbank stabilization of privately owned properties, together with priority criteria, taking into consideration, but not limited to, any or all of the following, namely:

   A. Define lost revenues due to decreased assessment;
   B. Tax Increment financing as a City funding method;
   C. The Local Improvement process to assist homeowners in paying their share,

   and report back to the Standing Policy Committee on Property and Development for the meeting of the Committee scheduled for September 4, 2007.

2. That the City of Winnipeg enter into discussion with the other levels of government and at a minimum the Province of Manitoba, to cost share a funding program for riverbank stabilization.

3. That the City of Winnipeg (Public Works) explore with the Province of Manitoba (Manitoba Floodway Authority) the option of utilizing the newly expanded Floodway for the purpose of mitigating and preventing erosion within the City of Winnipeg, combined with better management and use of the St. Andrews Lock and Dam in Lockport.

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

Re:	**City of Winnipeg Riverbank Stabilization Grant Program**
For submission to:	**Standing Policy Committee on Property and Development**
Original report signed by:	**Director of Planning, Property and Development**
Report Date:	**June 19, 2008**

Recommendation(s):

1. That Council approve the attached Project Requirements, Program Criteria and Process (Appendix B) to establish the Riverbank Stabilization Grant Program.
2. That Council approve $1,000,000 to be included in the 2009 Capital Budget to be used for the Grant portion of the above program.
3. That the CAO be delegated authority to:
    A. Establish and amend individual Project Agreements with affected property owners;
    B. Determine, allocate and distribute to each successful program applicant the grant money associated with this Program as per the Program's Criteria and Procedures; and
    C. Establish and amend technical criteria associated with Project evaluation and Program requirements.
4. That this Program be reviewed during the 2009 Program year and that recommendations for extending, discontinuing, or amending the Program made to Council in time for implementation in the 2010 and subsequent Capital Programs.
5. That the City Solicitor be requested to prepare the necessary by-laws for consideration of Council.
6. 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:

- There are currently no inter-governmental programs in place to address the needs identified by property owners who are imminently and critically affected by riverbank failures.
- Riverbank stabilization work is, by nature, expensive and can cost up to $6,000/ lineal meter or more.
- Riverbank stabilization work provides for a finite level of improvement over existing conditions. There are no guarantees of success or longevity of the stabilization work.
- An inter-Departmental team was formed to provide an integrated response to the funding options and opportunities. The issues however are complex as it is likely that any qualifying project will include multiple property owners with the stabilization work being carried out on private property.

- The recommended Program recognizes the financial hardship that many riverfront property owners are experiencing in their challenge to protect not simply significant portions of their property and investments in accessory structures, but in some cases, their primary structures as businesses or residences. The costs associated with protecting these assets can be in excess of $100,000 for standard-sized lots and easily represent up to 50% or more of the assessed property value.

- Several funding issues were explored and reviewed including: Tax increment financing (TIF), Loan/Mortgage financing, and the Local Improvement tax process.

- The Program is intended to assist private property owners in the work of deep-seated stabilization of riverbanks along Winnipeg's primary waterways that are of high risk to fail and pose a threat to the primary buildings on the affected property. This Program is not applicable to more temporary and less costly erosion only protection measures.

- This Program supports projects that:

    - Stabilize riverbanks using recognized and proven bank stabilization techniques;

    - Substantially improve the level of riverbank stability consistent with engineering standards and local practice for long term protection of properties and structures; and

    - Provide a demonstrated minimum level of riverbank stability improvement of 30% compared to the incipient conditions as determined by an Engineer.

- As deep-seated stabilization work only has effectiveness over longer stretches of riverbank (e.g. typically greater than 50 lineal meters) applications will likely involve multiple property owners. The municipal interest as a grant contributor is that all affected property owners (100%) are to agree to and engage in the joint Project.

- Applications are required to include functional design, construction estimates and unanimous (100%) property owner endorsement of work and cost breakdowns. From an Engineering perspective, extended reaches of riverbank will need to be treated often, beyond a single riverbank property. Therefore the absence of one or a few affected property owners would render the project not technically feasible. Therefore, considerable attention is given to creating a Program that will allow multiple property owners to unanimously engage in a single application and retain their own contractor(s) on a joint Project while respecting that each individual property owner represents a separate legal entity.

- The municipal interest as both a grant contributor and as a financing agent is that all affected property owners (100%) are to agree to and engage in the project.

- There were previously no current or established protocols to prioritize bank stabilization of private properties in the City of Winnipeg. Evaluative criteria based on a hazard/risk to primary structures were developed in conjunction with the City's Riverbank Management Engineer and external riverbank engineering experts.

- This Program allocates public money to private property owners for riverbank remediation while the City of Winnipeg faces an unfunded estimated deficit of $150M for riverbank protection measures on its 77 km of City owned primary waterway riverbanks.

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

( ) Comment(s): Implications resulting from the report affect a substantial number of private land owners and require modifications to or creation of separate City of Winnipeg by-laws.

Policy Implications

(x) No

( ) Yes

Comment(s):

Regulatory Implications

(X) None

( ) Eliminates or reduces regulatory impact

( ) Proposes regulatory impact

Comment(s):

Environmental Implications

(x) No

( ) Yes

Comment(s): Environmental impacts on the river would be assessed through various regulatory agencies including the Department of Fisheries and Oceans.

Human Resources Implications

( ) No

(X) Yes

Comment(s): The Public Service, increasingly strained to deliver its regulatory services such as Waterway permits and would need to engage in additional work with property owners to advise them regarding Program application criteria, evaluate applications, develop project agreements and disperse funds. The proposed program adds administrative work to the Planning and Land Use Division and to the Legal Services Division.

Financial Implications

( ) Within approved current and/or capital budget

(x) Current and/or capital budget adjustment required

Comment(s): The City of Winnipeg would need to identify an additional $1 million in the 2009 Capital budget process with a potential commitment to top up funds on a yearly basis pending program review.

Report

REASON FOR THE REPORT:

On January 28, 2008, the Standing Policy Committee on Property and Development directed that the Winnipeg Public Service report back to the Standing Policy Committee on Property and Development by May 20, 2008 with a proposed City of Winnipeg riverbank stabilization program which would allow private property owners to collaboratively undertake riverbank stabilization works with their own forces on privately owned property.

HISTORY:

In 2006, the City adopted in its Local Improvement budget an amount of $800,000 in allocated funding towards riverbank stabilization for twelve (12) properties along Riviera Crescent. The residents along this stretch of riverbank have yet to initiate the requisite petition process citing that, pursuant to a 2005 engineering estimate, the reimbursement costs to the City of approximately $6,000 - $8,000 *annually* per property owner, for such riverbank stabilization works under a local improvement tax over a 20-30 year term, would result in undue financial hardship on them. It is likely that 2009 construction costs would reflect an even higher cost to the property owners. (The original $800,000 budgeted has been removed.)

The Riviera Crescent Homeowners Association subsequently submitted a report to the City entitled “Riverbank Stabilization of Private Property within the City of Winnipeg – Cost Benefit Analysis” dated April 23, 2007 with a request that the City participate in the development of a cost share program between Governments and the affected private property owners to engage in stabilization works on their properties.

The analysis of lost property taxes and revenues to the City of Winnipeg prepared by the Riviera Crescent property owners anticipates that, on a city-wide basis, many property owners will not act, or cannot act, to stabilize their riverbank properties as the cost of the remediation work is extremely high. The model proposed by Riviera Crescent residents suggests that based on probable (worst case scenario) vs. potential (3%/yr increase in values), that it is a good business decision for the City of Winnipeg to redirect the property based taxes to be paid by riverbank property owners back into the affected properties for up to a 20 year period. The Riviera property owners’ model recommends participation of and partnership between the Federal, Province, and Municipal Governments with the directly affected property owners. Currently there are no intergovernmental programs in place to address the needs identified by property owners who have immediate need and could be critically affected by riverbank failures. On June 20, 2007, Council concurred in the recommendation of the Standing Policy Committee on Property and Development and adopted the following:

1. *That the Administration be directed to develop a policy for the establishment of a City of Winnipeg funding program for riverbank stabilization of privately-owned properties, together with priority criteria, taking into consideration, but not limited to, any or all of the following, namely:*

    A. Define lost revenues due to decreased assessment;
    B. Tax Increment financing as a City funding method;

C. The Local Improvement process to assist homeowners in paying their share;

and report back to the Standing Policy Committee on Property and Development for the meeting of the Committee scheduled for September 4, 2007.

2. *That the City of Winnipeg enter into discussions with the other levels of government and at a minimum the Province of Manitoba, to cost-share a funding program for riverbank stabilization.*

3. *That the City of Winnipeg (Public Works) explore with the Province of Manitoba (Manitoba Floodway Authority) the option of utilizing the newly expanded Floodway for the purpose of mitigating and preventing erosion within the City of Winnipeg, combined with better management and use of the St. Andrews Lock and Dam in Lockport.*

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

On January 29, 2008, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service, as amended, namely:

1. *That the Winnipeg Public Service report back to the Standing Policy Committee on Property and Development by May 20, 2008 with a proposed City of Winnipeg riverbank stabilization program which would allow private property owners to collaboratively undertake riverbank stabilization works with their own forces on privately owned property.*

This program would include:

A. Criteria and parameters regarding City involvement.

B. A financing mechanism which would:
   - *i. allow participants to pay back initial costs over time;*
   - *ii. provide the City with a reasonable assurance of payback within the lifecycle of the improvements; and*
   - *iii. be for a period of no greater than 20 years.*

C. A grant portion with procedures and criteria to determine priority applicants and with a grant cap of 25% of the value of the works directly related to critical riverbank stabilization.

D. The establishment of a City of Winnipeg capital grant fund of up to $1,000,000.00 in accordance with the above.

E. The source of capital funds to be referred to the Standing Policy Committee on Finance for consideration in the 2009 Capital Budget process.

DISCUSSION:

- An overview of the Program, a general contextual narrative, and the Program's Criteria, Procedures and Timelines are included in Appendix A.

- The Riverbank Stabilization Program is intended to address improvements to riverbank stability which will provide substantial long-term improvements to Winnipeg's most critically at-risk privately-owned riverbanks. A demonstrated minimum of 30% improvement in bank stability is required for Program eligibility. This will entail deep seated riverbank stabilization works such as rock fill columns and shear keys including attendant erosion protection works, riverbank grading and drainage improvements, and landscape restoration as may be required. This program is not intended to address lower levels of bank stability improvements or the application of only erosion protection works.

- The Program is designed to be initiated in 2008, with Application deadlines in September, and with riverbank work on approved Proponent projects being initiated and completed in Q1, 2009. Grant financing would flow in 2009.

- Key Program Elements and Processes include:
    - The Program provides a Grant portion of a maximum of 25% of project costs including individual property maximums.
    - The Program applies to all private property owners regardless of land use type – e.g. residential and non-residential.
    - The Program funds only projects that address deep seated riverbank stabilization on one of Winnipeg's four primary waterways: the Red, Assiniboine, LaSalle, and Seine rivers.
    - While property owned by Government entities such as Federal or Provincial Departments, hospitals, universities, utilities, etc. may be part of the Proponent group, no Grant will be allocated to these types of property owners. They will be required to pay their share of the project costs outside of the Grant process.
    - Given the contiguous nature of riverbank failure over extended reaches of riverbank, this program is not intended to apply to single property owners but rather multiple owners applying as a single project proponent application.
    - Proponents will be encouraged but not required to contract directly with consultants of record who have responded to a City-initiated Expression of Interest and Request for Qualifications. The Expression of Interest and Qualifications is to assist homeowners in helping to ensure that they are working with registered professional geotechnical engineers with relevant experience. The pre-qualification will help ensure quality and credibility as the City will be relying on that engineering advice in the evaluation of applications.

Background Information

The City of Winnipeg is a river city with over 240 km of waterfront property. The City of Winnipeg owns 107 km or 45% or the city's riverbank lands. On Winnipeg's four primary waterways (Red, Assiniboine, Seine and LaSalle Rivers), the City of Winnipeg owns approximately 77 km or 40% of the 194 km of waterfront property.

In the review of riverbank conditions, it has been recognized that there are two basic and distinct riverbank stability enhancements:

- **Erosion protection works**: The eroding face of the riverbank along the river's edge is armored with rock riprap typically consisting of a thin blanket of crushed limestone. These works are intended to curtail erosion activity due to river hydraulics.

- **Deep seated riverbank stabilization works:** The riverbank is structurally reinforced by the installation of deep trenched shear keys or an equivalent array of rock fill columns that extended through the clay overburden into till or hardpan. These works, along with complementary erosion works, will significantly improve stability.

In each of these works ancillary works including riverbank regarding and drainage improvements and landscape restoration may be completed as well.

Current riverbank stabilization costs, including engineering range from approximately $2,000/lineal meter for erosion protection to $4,000-$6,000/lineal meter for full bank stabilization. These costs include: bank monitoring and surveying; analysis; engineering design and tendering; construction; site remediation; and long term monitoring and evaluation.

It would not be unusual, therefore, for a 50ft single property, engaging in deep-seated riverbank stabilization works including rock-fill columns as part of a multi-property project, to be considering, as its share of Project costs, as follows:

Core stabilization	$75,000
Minimal erosion protection works	$15,000
Engineering assessment, functional design, detail design, and project management	$10,000
Total	$100,000

One issue facing both property owners and institutions financing these types of projects is that the incremental market value that this type of improvement adds to the property rarely comes close to the total cost of the project. Often the realistic incremental market gain is only 10-50% of the investment. That is, by providing a grant or funding for riverbank stabilization projects, the City will be funding an investment in private property assets that will likely not result in an equivalent gain in market value and/or assessed value.

Although to date no comprehensive detailed analysis has been undertaken of all riverbank properties in the City of Winnipeg, it is estimated that to stabilize the City's riverbanks, including a combination of full stabilization (deep seated), the installation of erosion protection at the toe of the banks of the remaining properties, and biotechnical stabilization along the secondary waterways and creeks, the costs would range from $120 to $150 million for the City of Winnipeg owned property and $145 to $182 million with a similar combination of protection work on privately-owned property.

Through Plan Winnipeg…2020 Vision, the City seeks to ensure the proper, environmentally-responsible management of natural and sensitive lands within its boundaries. This includes playing a lead role in the protection of flood plains and unstable riverbank slopes. To this end, the City established a Committee of Council in 1995, the Riverbank Management Committee, to

provide the political focus necessary for giving direction and ongoing guidance to the City's river related endeavors.

The City regulates construction along its waterways pursuant to the Waterway By-law 5888/92. A Waterway Permit is required for any works contemplated within 350' of the primary waterways and 250' within the secondary waterways. The By-law addresses public interest in that the permit applicant must demonstrate that any works within the regulated area will not compromise bank stability or significantly alter river hydraulics.

Although the City's Waterway Permit process attempts to ensure that the permitted work does not compromise bank stability, the Waterway Permit does not have a mandate to ensure that projects (e.g. buildings) are safe from riverbank instability.

The City of Winnipeg has promoted river related capital projects and programs through the City's Capital Works Program and in particular the Riverbank Stabilization Physical Asset Management Program. This program sets out to stabilize on a priority basis the most unstable sections of the City's 107 km of City owned riverbank property.

The Public Service has noted that the demand and market pricing of City of Winnipeg riverbank property and homes in near proximity to rivers and creeks continues to remain strong and regularly exceeds the average house and property price on adjacent streets. The current demand for riverbank property in the City of Winnipeg is anticipated to remain strong for the foreseeable future.

There are, however, several residential properties in need of critical bank stabilization to ensure that they do not reach the tipping point of a long and continued decline in value. To date there has only been limited success and no established funding models for the use of public municipal monies for private riverbank developments.

Policy Implications

Private property owners typically have the responsibility to manage and protect their own assets and assume the costs associated with their property and structures. At the most basic level, the direct involvement of the City of Winnipeg in the physical improvement of private property changes the role of the municipality from an assessor of value or a regulator of public safety standards, to that of a direct provider and funder of private improvements.

That being said, historically some programs have been established that do appear to involve municipal funding for private property development.

1. Tax-related financial incentive programs, including:

    - Multi-family Grant (2002-2005)
    - Downtown Mixed-use Housing Grant (2007 established)
    - Heritage Conservation Tax Credit (1998 established)
    - Residential Infill Tax Credit (2007 established)
    - Home Renovation Tax Assistance (1994 established)
    - Individual Economic Development Projects

These programs, as a rule, hold future incremental taxes generated by private investment as a credit incentive for property owners to engage in specific activities that are considered to be contributing to the public benefit. The above programs include, for example, the public benefit of higher density urban and suburban populations, regeneration of aging housing stock and heritage buildings, and attracting or retaining businesses to ensure a strong economic base.

2. Residential Rehabilitation Assistance Program

While the City of Winnipeg is involved in the administration of this program, the grant financing is contributed by the Provincial and Federal levels of government and not the City.

3. Provision of dikes and sandbags during flood situations.

The City of Winnipeg's role as provider of dikes and/or sandbags to protect against riverbank flooding is noted and referenced as the protection of a broader public good or as assistance in the time of general need and not individual property crisis.

4. Tax Increment Financing (TIF)

Although no formal tax increment financing program or district has been established in the City of Winnipeg to date, programs of this nature invest in projects on public and/or private property with the assumption that the incremental taxes generated by the district affected by the project investment will, in time, fund the repayment of the upfront investment and borrowing. That is, TIF is seen primarily as an investment, with a reasonable opportunity for a full and profitable return on that investment, commensurate with the investment risk.

5. Emergency interventions

The City has powers granted by The City of Winnipeg Charter Act S.M. 2002 and The Emergency Measures Act to engage in work such as riverbank stabilization of and on private property when the situation is declared to be an emergency. Interventions of this nature can be intrusive and often confrontational and may result in the City defending against liability claims regarding the nature and quality of work.

In addition to the above, there have been a number of specific riverbank projects that have included municipal involvement on private properties. These initiatives were driven principally by Government where it was desirable to implement publicly funded programs such as the Assiniboine Riverwalk and, more recently, the tripartite funded flood protection program.

Following the 1997 flood, the City entered into a tripartite agreement with the Federal and Provincial governments to raise secondary dikes within Winnipeg. The agreement provided $11,135,000; cost shared $5,200,000 each with the Federal and Provincial governments and $735,000 from the City. This program allowed for community ring dike projects, as well as individual flood protection projects. In four of the five projects the City established Local Improvement Districts and recovered 10% of the total dike cost not covered by the Federal and Provincial Governments from the benefiting properties as a Local Improvement tax. Subsequent LI's have strengthened or enhanced these primary dike areas.

One argument voiced in favor of more direct municipal financial involvement in riverbank stabilization such as the Program recommended by this report is that it can be justified as a protection against the depreciation (literally through physical erosion) and potential elimination of a property asset that generates on-going municipal tax revenue. This argument in essence submits that the City should finance or invest not simply to capitalize on new or incremental tax revenues, but as an investment in retaining tax revenues that would otherwise disappear if those properties slipped away into the river and could no longer support safe primary structures – a type of 'tax *decrement* financing'. While this argument has merit, it could also be argued that:

- as long as the residents or businesses occupying the existing eroding properties maintained their residency within the City by buying or building elsewhere, there would be no fundamental decrease to the property asset base, but simply a relocation of that asset base within the City, and
- the incremental assessed value derived by the property being 'riverfront' vs. non-riverfront is retained by the creation of new riverfront status to properties currently adjoining those disappearing.

This Program attempts to recognize the severe financial hardship that many riverfront property owners are experiencing in their challenge to protect not simply significant portions of their property and investments in accessory structures, but in some cases, the future safety of their primary structures as businesses or residences. The costs associated with protecting these assets can, as discussed above, be upwards of $100,000 for standard-sized lots and may represent up to 50% or more of the assessed property value.

An additional policy consideration relates to liability. If the City of Winnipeg directly undertakes the riverbank stabilization work, the City may legally be required to assume the long term legal responsibility for the work and guarantee the future riverbank stability and retention of the value of the property and structures. As there is an inherent risk associated with the nature and the duration of all riverbank stabilization work, the City of Winnipeg may be, by contracting the work directly, assuming the risk on behalf of the property owner. Also, if property owners feel that other issues arising from the work are not to their satisfaction, the City as contractor becomes the primary target for compensation.

However, if the City of Winnipeg assists in the financing of the work but not the direct contractual administration of the stabilization, then that responsibility would remain with the property owner. The recommended program, therefore, takes significant steps to ensure that the City is the financial contributor of the work only, and has no direct connection to the contracting and implementation of the project work beyond the establishment of a base standard of performance for the works

Program Criteria

The recommended Riverbank Stabilization program includes a number of key baseline criteria and additional evaluation criteria.

Baseline Criteria

1. Deep-seated stabilization works. This program, with limited financial resources, attempts to address those situations where there is imminent (less than 5 years) critical riverbank failure and where the project costs become unaffordable for many. Practically this translates into larger project stretches (e.g. at least 100 feet) and will likely to include multiple property owners. Projects must contribute a minimum of a 30% improvement to the stability of the riverbank.

2. Interconnectivity. As deep-seated stabilization work only has effectiveness over longer stretches of riverbank (e.g. typically greater than 50 lineal meters) and therefore will likely involve multiple property owners, the municipal interest as both a grant contributor, and especially as a financing agent, is that all affected property owners engage in the joint Project. The absence of involvement one affected property, therefore, puts at risk the effect of the work on other properties. Therefore, considerable attention is given to creating a Program that will allow multiple property owners to engage in a single application and retain their own contractor(s) on a joint Project while respecting that each individual property owner represents a separate legal entity.

3. Minimum / Maximum Criteria. There are a number of minimum and maximum Grant, financing, and Project criteria – each representing different issues.

   a. Grant maximum of 25% of eligible Project costs. This maximum was directed by the Standing Policy Committee on Property and Development on January 29, 2008.

   b. The following maximums is established within the Program:

	Maximum
Maximum Grant per property	$3,000 / riverbank lineal meter

The maximums are recommended for the following reasons:

a. Through this Program, the City engages in financing of property improvements that could represent a high percentage of the total market value of that property, even after the improvement is in place. Clearly, as any funding agent, the City would want to cap its investment in this regard on a per property basis, and this represents a quick method for roughly establishing that cap. Other methods were discussed including assessed value and requiring all property owners to submit property appraisals by certified appraisers. The cap per lineal foot method, despite potential flaws, appeared to provide value with the least red tape.

b. There may be some projects with a per meter cost of considerably more than $6,000 / riverbank lineal meter. This is an attempt to provide some form of cap to the City's grant investment on a per property basis.

General Criteria

1. Unanimity. Given that most qualifying Projects will include multiple property owners, and as the effectiveness of the Project will require all properties to participate, and that these Projects require work on private property, it was deemed essential that the Proponent group be unanimous in terms of its commitment regarding the nature of work, costs, financing, and allocation of financing and grant. It was not seen as realistic or fair for the City to grant money for work on a group of properties if the lack of participation of some property members impacted by the same destabilization problem would undermine the impact or longevity of the Project. Additionally, the City of Winnipeg does not intend to leverage its authority to 'force' the stabilization Project onto property owners which are not in agreement with the work or the financing implications.

2. Grant split between property owners. The Program provides a particular challenge in equitably dividing a Grant between participating property owners. A variety of methods for determining this split could be argued such as direct cost of remediation, size or market value of the property protected by the remediation, improvement to property value or significance of the remediation on the protection of primary assets on the property, etc. Traditional methods such as lineal feet of riverbank do not apply as some properties might require very high percentage of the work and other equivalent lengths of shoreline, although critical to the success of the Project as a whole, might require minimal work.

   The Program requires, therefore, that using engineering estimates as a means of allocating the costs of the Project between properties, property owners unanimously agree to split the allocation of the Grant money between the owners in the pre-implementation Project Agreement. It was considered the City's role to facilitate the stabilization work, but not to engage in mediating an equitable split that could have arguably many methods for evaluating a division of costs.

   That being said, the split proposed by the property owners as part of the Application needs to be approved by the CAO.

3. Type of Property. This Program is developed to assist property owners regardless of zoning and use (e.g. residential or non-residential). That being said, the criteria clearly lays out that the Program will not Grant to property owners who are government-entities, utilities, or primarily funded by government. The City's portion of the costs for public lands would need to be financed through budget allocations other than those relating to this Program

4. Application timing. Riverbank stabilization work in Winnipeg primarily needs to take place from January to March each calendar year. In addition, with limited Grant funds available, and clear project application evaluation criteria laid out, it was deemed necessary to not approve projects on a first-come, first-serve basis, but to compare all projects at the same time. Therefore, the Program is designed to informally work with potential formal applicants during the first half of the year, and have formal applications submitted by early September. This hopefully provides enough time to evaluate applications, and notify applicants of Grant recipients by the middle of October. The proponent group would time to engage in detail design development and approval, soliciting quotes and formalizing a contract with the group engaging in the work, and to arrange/finalize Department of Fisheries and

Oceans approval and a Waterway permit. The Public Services estimates that this is a compressed but workable time period for both the City and proponent groups to put final details into place and engage in construction in the first quarter of the subsequent year.

Program Grant

The Public Service was directed to establish a Grant program with a maximum contribution of 25% of the Project costs. It was clear that the Standing Policy Committee on Property and Development was attempting to assist or off-set the high cost of project work without eliminating the role or responsibility of the private property owner.

That being said, the Grant portion of the program is structured to address a number of issues:

- All owners apply as a group. Not only is it essential to evaluate the project as a whole and in light of the risk and hazards to all properties affected by the impacted riverbank, but there could be significant tension if some property owners who became aware of and capitalized on the Grant program received money, but eligible owners within the *same* project only became aware of the program after the application deadline.

- The success of the project is very much dependant on the completion of the full project. Completion of work on one property according to the project design but not on other properties would undermine the effectiveness of the stabilization work. Therefore, the City will require that the release of the Grant is conditional on the completion of the whole, not the parts. This will be identified in the project agreement signed by all applicable property owners, and necessitates that the Grant is managed at the 'group' level.

- While the project is evaluated and the Grant is administered by the City at the Proponent group level, the Program does establish a Grant maximum per property. Thus, if $300,000 represents 25% of the total Project costs, but an individual property within that project has a cap of $50,000 and its allocation is 20% of the whole or $60,000, then the total Grant funding would be $290,000.

Financing Issues and Options:

As indicated above the City of Winnipeg through direct financing riverbank stabilization works would:

- Have an interest in the completion and nature of the Project work on all affected properties, due to the interconnected and contiguous nature of the stabilization work and the effect of erosion impacts of one property upon another
- May be found to have liability to the owners of the properties where the riverbank stabilization works are undertaken, because approval of the funding may be viewed as approval of the design and quality of construction.

Appropriate strategies need to be implemented to protect the City.

Proposed Program Stages:
(greater detail is provided in Appendix A)

Consultant Selection

The City of Winnipeg will issue an Expression of Interest and Request for Qualifications to identify engineering consultants who are interested in acting as consultants of record for the riverbank stabilization program. The consultant of Record list is to be a resource for interested property owners.

Stage 1: PRE-APPLICATION EXPRESSION OF INTEREST

The Consultant on behalf of the proponent shall submit a proposed scope of work, and letters of intent from a majority of affected homeowners and a preliminary site assessment report that includes assessment of riverbank stability, its characterization and the hazard/risk of existing conditions.

Detailed requirements for the Characterization and Assessment are in Appendix A *"Project Requirements, Grant Criteria and Program Process"*.

Stage 2: PRE-APPLICATION SCREENING

Based on the submitted assessment report, the Project Administrator (i.e. Consultant) provides an assessment of the potential Program eligibility of the project area and advises the potential Proponent regarding the formal application process.

Stage 3: FORMAL APPLICATION SUBMISSION
(deadline first Friday following Labor Day long weekend – September 05, 2008)

The proponent shall submit a supporting detailed engineer's report on riverbank stability and proposed riverbank stabilization.

Final application will include confirmation from **all** affected property owners, and an identified cost sharing formula to be utilized for the implementation of the Grants. In addition to the unanimous engagement of all property owners of the Proponent group, all owners must also unanimously agree on how to divide the Project costs between them. This breakdown will form the basis for the division of the Grant.

Stage 4: APPLICATION REVIEW and EVALUATION

Stage 5: PROJECT APPROVAL & IMPLEMENTATION

Grant is approved and communicated to the Proponents by CAO or designate by October 15.

STAGE 6 CONTRACTS AND CONSTRUCTION ADMINISTRATION

The applicant is responsible for all cost overruns and additional expenses beyond the approved scope of work.

Additional Notes

- All property owners affected by the Project must be unanimously engaged as a single Proponent group. The nature of riverbank stabilization projects requires that all affected properties engage in the integrated design and non-participation of one property will be at the detriment of the Project whole. Since the property ownership is private and short of the City engaging their Emergency powers to access the property, it requires full owner consent and involvement.
- In addition to a Project Grant maximum of 25% of eligible costs, individual property maximums have been identified for both the Grant and Local Improvement based on riverbank lineal meters.

Concerns:

- Depending on the year, the Program may be over or under subscribed. The capital grant is limited and may need to be prorated between applicants on a yearly basis.
- A number of engineering consultancy firms have indicated a reluctance to engage in the project administration of Projects that might arise from this type of Program, or similar projects not connected to this Program. Projects involving multiple property owners are complex, and the liability associated with determining a hazard / risk analysis is uncertain. The demand side of the market is robust and the need for engineering firms to engage in projects of this nature is low. This presents a risk to the practical implementation of this Program.

- This Program allocates public money to private property owners for riverbank remediation while the City of Winnipeg faces an unfunded estimated deficit of $150M for riverbank protection measures on its 77 km of City-owned primary waterway riverbanks.

Next Steps:

- It is recommended that the CAO be delegated to:
    - Establish and amend individual Project Agreements with affected property owners;
    - Determine, allocate and distribute to each program applicant the grant money associated with this program to a maximum of the grant funding per year and as per the maximums per project and per property as outlined in the Program's Criteria and Procedures; and
    - Establish and amend technical criteria associated with Project evaluation and baseline requirements.

  This delegated authority attempts to minimize red tape associated with finalizing contractual arrangements or making criteria improvements to the Program over time. In addition, the approval timeframes are compressed. The deadline for applications is early September for construction work during the primary riverbank stabilization months of January to March. Only by delegating the CAO authority to approve Grants could this timeframe be met.

Financial Impact Statement

Date: June 10, 2008

Project Name:

Riverbank Stabilization of Private Property within the City of Winnipeg - Cost Benefit Analysis

First Year of Program **2009**

	2009	2010	2011	2012	2013
Capital					
Capital Expenditures Required	$ 1,000,000	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ 1,000,000	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ 1,000,000	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ 1,000,000	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 1,000,000				
Total Additional Debt Required	$ 1,000,000				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	19,608	-	-	-	-
Net Cost/(Benefit)	$ (19,608)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ (19,608)	$ -	$ -	$ -	$ -

Additional Comments: Should the recommendations contained in this report be approved, $1 million in capital funding will need to be established subject to the 2009 capital budget process. This would facilitate the awarding of grants up to $980,392 with the remaining $19,608 to be recovered corporately (i.e. short term financing charges). There may be capital budget requirements beyond 2009, pending review of the Program, in order to "top up" the funding to $1 million each year. However, as the amount of this "top up", if any, is unknown at this time and cannot be estimated with a reasonable degree of certainty, no provision has been included in this Financial Impact Statement.

"Original signed by"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation and concurrence with:

External Consultation With:

THIS REPORT SUBMITTED BY:

Department: Planning, Property and Development
Division: Planning and Land Use Division / Strategic Support Services
Prepared by:

O:\Reports Directive\Planning and Land Use\Parks, Riverbanks and Community Initiatives\John Kiernan\RIS RiverBank Stabilization Program - June 19 2008.doc

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Appendix A

City of Winnipeg Riverbank Stabilization Program

2008

PROJECT REQUIREMENTS, GRANT CRITERIA AND PROCESS

For more detailed information and application forms, please contact:

Planning, Property and Development Department
Planning and Land Use
65 Garry Street
Winnipeg, Manitoba
R3C 4X5

City of Winnipeg Riverbank Stabilization Grant Program

1.0 PROGRAM PURPOSE AND SUMMARY

The City of Winnipeg Riverbank Stabilization Grant Program is intended to assist private property owners in the deep seated stabilization of riverbanks along Winnipeg's primary waterways that are of high risk to failure and a threat to the primary buildings on affected property.

This grant program is intended to support work that:

- Stabilizes riverbanks using recognized and proven bank stabilization techniques
- Substantially improves the level of riverbank stability consistent with engineering standards and local practice for long term protection of properties and structures.

Given the contiguous nature of riverbank failure over extended reaches of riverbank, this program is not intended to apply to single property owners acting independently, but rather multiple owners applying as a single project proponent.

Grant applications

Project applicants in this category are wishing to use Grant money to help off-set the costs of their Project regardless of their method of financing. All property owners participating in an eligible Project must jointly submit a Project Grant Application. The Grant application will be considered and evaluated on a Project basis. That is, individual property owners who are jointing participating in the same Project cannot apply separately for a Grant.

As the Project may be benefiting each proponent property owner in a non-uniform manner, the allocation or division of grant payment between each applicant property will be determined by and unanimously agreed to by all property owners as well as the City of Winnipeg and be clearly identified in the Project Agreement.

The Grant portion of the program is not to exceed 25% of the eligible costs of the Project. In addition, the Grant portion cannot exceed the maximum per lineal foot for each individual property. The Grant portion agreed to by the City may vary due to availability of funding, allocation of Grants to other project proponents, and the assessment of the project in light of the Grant criteria. Due to Grant funding availability, not all approved Projects may receive the maximum Grant.

Grant money will only be paid upon full completion of the Project and submission of the requisite documentation and receipts to the satisfaction of the City. Alternatively, individual property owner Grant recipients of over $10,000 may request to have the City create an escrow account or letter of direction which may serve as a type of security for the contractor or project administrator. Costs of administering the escrow account will be subtracted from the Grant prior to payment.

2.0 DEFINITIONS AND INTERPRETATION

Unless the context requires otherwise, in the Document

a. "City" means the City of Winnipeg as continued under The City of Winnipeg Charter Act S.M. 2002, c39 and any amendments thereto.
b. "Consultant" means a pre-approved Engineering firm of record who meets the qualifications and criteria for the Program and has been engaged by the Proponent to provide Engineering services for Project design and Project contract administration.
c. "Contribution" means the total financial contribution that City agrees to make in the form of a grant or financing under the structure of a Local Improvement tax in respect of Eligible Costs incurred and paid by the Project Proponent to carry out the Project.
d. "Eligible Costs" means those costs necessary for the completion of the Project as set out by this Program which are incurred and paid by the Project Proponent.
e. "Engineer" means an Engineer qualified in the discipline of geotechnique and registered to practice in the Province of Manitoba by the APEGM.
f. "Functional Design" means a level of design process whereby the recommended Project design has been developed by the Engineer in sufficient detail from the factual site data.
g. "Grant" means any money given gratuitously and without liability by the City to private property owners to help offset the cost of eligible and approved riverbank stabilization as defined by this Program.
h. "Government-related entity or entities" means any municipal, provincial, federal government body, crown corporation, utility, or organization primarily funded by government.
i. "Occupied" means property which has located on it a building that would allow for year-round (e.g. winterized) residential habitation or for conducting business.
j. "Program" means the City of Winnipeg's Riverbank Stabilization Grant
k. "Program Administrator" means a City of Winnipeg employee designated to administer the City of Winnipeg Riverbank Stabilization Grant.
l. "Project" means the riverbank stabilization improvement works which meets the criteria outlined in this document which the Project Proponent undertakes or proposes to undertake.
m. "Project Administrator" means the Engineer who administers the Project on behalf of the Project Proponent.
n. "Project Agreement" means the formal agreement that each property owner represented by the Project Proponent will be required to sign with the City prior to the final approval of a Grant and/or Council's initiation of riverbank process.
o. "Project Applicant" or "Applicant" is a Proponent who submits an Application.
p. "Project Application" means the submission by the Proponent of all of the required parts as outlined in the Application Requirements of the Riverbank Stabilization program. The evaluation of the Project Application will not be limited to the documentation submitted by the Project Proponent, and may include the Public Service's direct evaluation of the affected property and other supporting documents.
q. "Project Proponent" or "Proponent" means the property owners or the group of property owners compromised of 100% of affected contiguous properties on which the riverbank stabilization work is proposed. The Project Proponent must, for all criteria, represent the unanimous consent of ALL property owners represented by the Project Proponent.

r. "Property Owner" means the legally registered owner of the property.
s. "Proponent Group" means the group of property owners comprising the Project Proponent.
t. "Public Service" means any person or group of persons employed by the City.
u. "Riverbank Lineal Meters" means the lineal distance along a riverbank measured as a straight line from each point of measurement. When measuring riverbank lineal meters for a single property, the measurement is taken as the distance between the two points where the respective upstream and downstream property lines or projection thereof meet the river at the 'ordinary high water mark' (OHWM).

3.0 MINIMUM PROJECT REQUIREMENTS

Minimum Project requirements are as follows:

1. Projects that encompass a significant reach of riverbank as determined appropriate from a geotechnical perspective by the Engineer and approved by the City.

2. Projects must address deep seated riverbank stabilization on one of Winnipeg's four primary waterways:
   a. Red River
   b. Assiniboine River
   c. LaSalle River
   d. Seine River

   and must be contained fully within the boundaries of the City as defined in The City of Winnipeg Charter Act and City of Winnipeg Boundaries Regulation.
3. Projects must provide a demonstrated minimum level of riverbank stability improvement in the order of 30% compared to the incipient conditions as determined by an Engineer.
4. The maximum Grant assistance available per subject property is not to exceed $3000 / riverbank lineal meter.

4.0 PROGRAM PROCESS STEPS

Jan – Aug STAGE 1:

PRE-APPLICATION EXPRESSION OF INTEREST

The Consultant on behalf of the Proponent shall submit a proposed scope of work, petition confirmation of and letters of intent from all affected homeowners and a preliminary site assessment report that includes assessment of, riverbank stability characterization and hazard/risk of existing condition.

This report should include the following:

- Identification of the proposed Project study area
- Riverbank stability characterization assessment

- Till Depth
- Bank Geometry including height and retrogression ratio
- Vegetation cover
- Surface Drainage
- Evidence of movement
- Edge Erosion
- Existing works (altered bank features)
- Planform geometrics
- Known subsurface conditions
- Known soil characteristics

- Hazard/Risk assessment of existing condition.
  - Hazard/risk to primary residences and to property
  - Past history of bank performance (air photo interpretation)
  - Offset of private structures and public amenities/infrastructure from riverbank
  - Evidence/characteristics of bank distress
  - Concept level stabilization options including requisite reach of bank/number of effected property owners
  - Contribution to protection of public amenities/infrastructure
  -
- The Proponent confirms commitment of reasonable majority of the study area owners to proceed with Project.

Jan – Aug **STAGE 2:**

PRE-APPLICATION SCREENING

Based on an agreed upon scope of work, proposed program and endorsement by a reasonable majority of the affected properties the proposal is reviewed

The Program Administrator determines if the Project meets the intent or minimum project requirements of the Program and informs Proponent and proceed to Stage 3.

Aug/Sept **STAGE 3:**

FORMAL APPLICATION SUBMISSION
(deadline first Friday following Labor Day long weekend – September 05, 2008)

Applications shall include a Consultant's report with functional design drawings, project cost estimates and breakdowns, and property owner endorsement (100%) of work. '

The Consultant's report on riverbank stability and proposed riverbank stabilization is to include but not be limited to the following study components:

- **Field Program:** site reconnaissance, site survey and river soundings, site drilling, soil sampling and field testing.
- **Engineering Analyses/Assessment:** laboratory soil testing, rigorous bank stability modeling of existing condition and viable stabilization options with demonstrated minimum level of improvement to riverbank stability of 30%, cost estimates for alternate stabilization works, functional design of recommended stabilization measures with Class C cost estimate, hydraulic impact assessment of works on river flows and riverbank erosion.

The demonstrated minimum improvement of 30% in bank stability is to be confirmed from analysis based on extreme conditions of saturated bank/winter river levels and residual soil strengths, and must be realized with the riverbank stabilization works in place including, from parametric assessment, that absolute factors of stability are greater than incipient for critical conditions.

Final application will include confirmation from **all** affected property owners, and an identified cost sharing formula to be utilized for the implementation of the Grant. In addition to the unanimous engagement of all property owners of the Proponent group, all owners must also unanimously agree, together with the City's consent, on how to divide the Project costs between them. This cost breakdown will likely NOT be equal nor based on some form of property characteristic such as riverbank frontage or property square footage. Likely, the breakdown will be based on the nature of the work done on each property. This breakdown will form the basis for the division of the Grant financing.

Project Proponent submits an application in the requisite form signed by all registered owners representing property or property interests on which the Project is intended to occur

The Proponent submits supporting Engineer's report on riverbank stability and proposed riverbank stabilization that includes but is not limited to the following study components:

The Proponent provides evidence of submission of Project information package to the Department of Fisheries and Oceans (DFO) pursuant to the Fisheries Act.

Sept **STAGE 4:**

APPLICATION REVIEW and EVALUATION

The project evaluation is to assist on focusing limited grant funds to contribute to projects which are deemed to be of higher risk to primary structures and any City of Winnipeg infrastructure. To this end, the Engineer's report submitted in support of the application must not only

substantiate the hazard/risk for the affected riverbank properties and, in particular, to primary structures but the recommended response level and management approach of the identified risk on the basis of urgency or priority.

Evaluation criteria will be risk based and include but not be limited to the following probability and consequence factors:

- Demonstrated level of current riverbank stability and probability of failure based on engineering assessment and rigorous analyses of site specific conditions. A riverbank stability condition with a lower factor of safety will be assessed a higher ranking.
- The consequence of failure and, in particular, as relates to potential impact on primary structures or any City infrastructure works. Sites with higher potential of significant loss of primary structures will be assessed a higher ranking.

The Program Administrator will also take into consideration the Consultant's recommended response level and management approach for the site. A response level identified as "urgent" will be assessed a higher ranking than one identified as a "priority"

Program Administrator reviews and evaluates Application for compliance with Program criteria.

Oct **STAGE 5:**

PROJECT APPROVAL & IMPLEMENTATION

- Grant is approved and communicated to Proponents by CAO or designate by October 15.
- Project Agreements are arranged between City and Proponents
- Detailed design is prepared and submitted
- Project work is initiated (Jan / Feb)
- Submission of required completion and expense documentation

In addition to the unanimous engagement of all property owners of the Proponent group, all owners must also unanimously agree, together with the City's consent, on how to divide the Project costs between them.

STAGE 6

GRANT PROCESS

Oct Grants are determined by the City CAO based on grant funding availability, program criteria, and evaluation criteria

Oct Communication of Grants to all Project Proponents

Jan – Oct Proponent engages formal Project Administrator – Project Administrator must be identified in Project Agreement

Oct Grant-only Project Agreements signed by all property owners and CAO

Oct – Dec Project Proponent submits Project detail design including quotation documents to the satisfaction of the Program Administrator.

Nov / Dec Proponent seeks a minimum of three formal quotes for the Project.

Nov / Dec Proponent provides evidence of obtaining a Waterway Permit from the City of Winnipeg and DFO letter of advise/authorization pursuant to The Fisheries Act.

Nov – Feb **CONTRACTS AND CONSTRUCTION ADMINISTRATION**

The designated contract administrator for the approved properties shall enter into a contact with the City of Winnipeg regarding the release of funds upon staged completion of approved works. The contract shall include but not be limited to the following requirements and will be based on the Red Tape Commission Recommendation No. 17

Proponent provides evidence of contract details and confirms final project costs.

The contract shall address

- Confirmed Scope of work
- Proposed schedule of payments
- Obligations of the City of Winnipeg
- Obligations of the Recipient
- Obligations of the Contractor(s)
- Financial
- Insurance regarding Loss or injury
- Breach or defaults
- Compliance with By-laws and Permits

Contract Conditions

The Program is limited to maximum 25% grant and maximum 75% of additional capital contribution related to the engineering and construction costs directly related to the bank stabilization costs associated with the protection of primary residences and structures.

Jan / Feb Project construction is initiated

Project is completed within 24 months of date of signed Project Agreements

Grant is allocated according to the Project Agreement to Proponent upon submission of completion criteria and inspections (e.g. completion documentation and receipts) as certified by the Project Administrator. Grant is allocated as a credit directly to costs in applications.

5.0 TIMING

Applications must be submitted to City on or before 4:00 pm, on the first Friday following the September Labor Day long weekend.

Successful Grant Applicants will be notified on or before October 31.

Proposed work must be completed within 24 months of formal the date of the signed Project Agreements. The City shall have the right to conduct inspections of the project and reserve the right to cancel or withdraw funding approval if the above dates for starting or finishing the project are not met or if the construction falls significantly behind schedule to the point where it is clear that the project would not be completed within the specified time frame.

6.0 ELIGIBLE WORK

Grant credits are calculated on the basis of a maximum of 25% of the net investment made in eligible costs. Eligible work includes:

- Works deemed essential to the deep seated stabilization of a riverbank. Such works include Rock fill columns, shear keys, and ancilliary erosion protection works, riverbank re-grading and drainage improvements, and basic landscape restoration.
- Consulting, engineering services for design and contract administration
- Re-grading and drainage improvements, basic landscape restoration and other design mitigation works as necessary to meet the requirements of The Fisheries Act.

Eligible costs are exclusive of any other government grants or rebates, including any provincial sales tax or federal goods and services tax rebates.

7.0 WORK NOT ELIGIBLE

- Replacement of existing structures, including, but not limited to:
  - Buildings including houses, sheds, gazebos, garages
  - Parking areas, pools
  - Decks, docks
  - Fences
- Landscape restoration not core and essential to the bank stabilization works
- Removing, preserving, storing, or reusing portions of a demolished buildings
- Stabilization work undertaken prior to an executed Project Agreement.

8.0 PROJECT REQUIREMENTS

8.1 The City of Winnipeg Riverbank Stabilization Grant Program is limited to designated primary waterways within the boundaries of the City.

8.2 Applications may be submitted and signed by all registered Property Owners representing property or property interests on which the Project is to occur. Alternatively, applications may be submitted by a single entity or Project Administrator who is acting on behalf of all registered Property Owners. Authorization agreements will be available from the Program Administrator prior to the Application deadline for each property owner to submit as part of the Application.

8.3 A Proponent Group which includes Property Owners whose City tax, utility or other payments are in arrears may submit an Application. However, any approval of assistance will be conditional upon outstanding amounts being paid by a mutually determined deadline. If that condition is not met, a formal agreement to proceed with the Grant will not be executed.

8.4 Engineering services for design and contract administration will be provided by Consultants.

8.5 Project Proponents must obtain all necessary regulator approvals including a Waterway Permit from the City and a letter of advise / authorization from DFO and submit evidence of approval to the Program Administrator prior to proceeding with the Project.

8.6 If net eligible costs are lower than originally estimated, or if not all the eligible work is done or completed as detailed in the Project Agreement and mutually agreed to by the City, then the dollar amount of the Grant will be reduced accordingly. However, if the Grant portion originally identified and agreed to the City remains still less than the maximum 25% of the total Project costs, the full portion (or up to 25%) will still be paid.

8.7 Grants will not be granted retroactively for stabilization work done before an Application has been made or appropriate approvals have been given. The exception is for approved engineering assessment, reports and design, or project administration work necessary as part of the Application submission if the Project Application is approved.

8.8 Project Grant will be calculated and extended for net private investment made in approved costs, exclusive of any other government grants or rebates, including any provincial sales tax or federal goods and services tax refunds or credits recipients may be eligible for, regardless of whether they have applied for or received those entitlements.

8.9 Project Proponents may include property ownership by Government-related Entities other than the City of Winnipeg. However, Government-related Entities are NOT eligible to receive Grants under this Program. Grants may be given to other Property Owners who are part of a Proponent group which includes Government-related Entities.

8.10 Project Agreements must be signed between the City and ALL Proponent Property Owners and put into effect before work on an approved Project can begin. No stabilization work undertaken prior to an executed agreement will be considered.

8.11 All eligible work must be performed by individuals or companies that are Workers Compensation Board compliant and have registered GST numbers.

8.12 The proposed work must be reviewed and pre-authorized through the issuance of a Waterways permit from the City of Winnipeg, Planning and Land Use Division, Planning, Property and Development Department.

8.13 To enable this Program to be administered in a cost-effective manner, the onus will be on Applicants to provide all required information (reports, photographs, paid invoices, etc.) in a complete and timely fashion. The onus also will be on Applicants to inform the City in a timely fashion of delays or changes in Project plans.

8.14 The Project Proponent is responsible for all cost overruns and additional expenses beyond the approved scope of work.

9.0 APPLICATION REQUIREMENTS

9.1 All applications must clearly indicate the amount of the assistance sought is in the form of a Grant.

9.2 Each Applicant property's legal address (if existing), registered owner, legal property description, certificate of title number, and property assessment roll number.

9.3 Riverbank lineal meters of each Proponent property as defined by the Program.

9.4 A certified copy of Status of Title of each Proponent property

9.5 An Engineer's report on riverbank stability, hazard / risk assessment including Functional Design of proposed riverbank stabilization works (the Project) prepared by a Consultant as per Appendix A.

9.6 An outline of the proposed Project and schedule for undertaking the work.

9.7 The estimated Project costs including a breakdown of eligible costs prepared by the Consultant including a specific per property cost per linear meter affected.

9.8 Proposed Project cost split between Proponent properties agreed to by all Property Owners. The cost split must be based on reasonable estimates by the Consultant regarding the nature of Project work on each individual Property and should be submitted as a percentage breakdown of the total estimated Project costs allocated to each Property. If agreed to by the City as equitable, these percentage allocations will be the basis for the division of Grant authorized between Proponent Property Owners.

9.9 Digital photographs of the affected areas.

9.10 Evidence of submission of Project information package to the Department of Fisheries and Oceans (DFO) pursuant to the Fisheries Act.

9.11 Plan for Project contractor to access the Project site including any necessary signed rights-of-way or interests in land and such rights of access and crossing together with all orders, permits, licenses and approvals as may be required for the construction and completion of the Project.

In the event that permits or approvals (e.g. Waterways Permit) cannot be issued or applied for until detail designs are developed, the Application should submit indication of necessary pre-requisites and the plan or timetable to obtain them.

9.12 Signed agreements by each Property Owner represented by the Project Proponent to address the following issues:

9.12.1 A property ownership transfer, particularly during the Project implementation period creates a particular complexity. Therefore, to help ensure that as the Project moves forward to completion and a new property owner does not create access or other issues for the Proponent and the following is required:

- An agreement will require all property owners, in the event of a property ownership transfer or sale, to fully disclose the nature of the Project, the legal commitments made regarding the Project (e.g. contracts for work to be done, access agreements, etc.),
- The agreement will include a commitment by the Property Owner to inform the City about any intention to sell or impending sale or ownership transfer prior to the completion of that sale.

9.12.2 It is also important for Property Owners to formally agree to fully disclosure the nature and commitments pertaining to the Project to in the case of property ownership transfer prior to Project completion.

9.12.3 Agreement in principal to sign formal Project Agreements with the City. These Agreements will define the nature of the work, the nature of the Grant and timelines, milestones, and nature of payment. Example Project Agreements will be made available by the Program Administrator prior to Aug 1, 2008.

10.0 PROJECT INCLUDES CITY OF WINNIPEG PROPERTY

Project Proponents may approach the City to request that the City be a member of the Proponent Group if the affected riverbank requires that the Project include stabilization work on City-owned property.

The Proponent group will negotiate with the City as it would with any other Property Owner in terms of Project participation, contribution towards a riverbank assessment, determining the nature of work to be proposed, and the equitable division of costs. As an Applicant for the Program, the same criteria and application requirements would have to be met.

In the case of a Grant Application, the City would NOT be subject to receiving a portion of the Grant, but the Grant requirements (e.g. no more than 25% of the total eligible costs of a Project) would still apply AS IF the City as a property owner was eligible to receive the Grant.

Preference for recommending a Grant will be given to Projects where the City is a member of the Proponent group. However, the technical criteria for evaluating Projects will remain consistent.

11.0 CONSULTANT SELECTION / IDENTIFICATION

The City of Winnipeg will issue an Expression of Interest and Request for Qualifications to endorse consultants who are interested in acting as consultants of record for the riverbank stabilization program.

Consultant endorsement will be dependent on:

- A registered professional geotechnical engineer as their capabilities as team leader
- Proof of professional liability insurance
- Demonstrated interdisciplinary team and approach
- Proven contract administration experience
- Successful completion of 3 similar projects in the last 5 years
- Demonstrated ability of having secured regulatory approvals (Waterway Permits and DFO letters of advise/authorization) in a timely manner on the previous projects of record

12 EVALUATION CRITERIA FOR GRANT PORTION OF THE PROGRAM

The project evaluation is to assist on focusing limited grant funds to contribute to projects which are deemed to be of higher risk to primary structures and any City of Winnipeg infrastructure. To this end, the Engineer's report submitted in support of the application must not only substantiate the hazard/risk for the affected riverbank properties and, in particular, to primary structures but the recommended response level and management approach of the identified risk on the basis of urgency or priority.

Evaluation criteria will be risk based and include but not be limited to the following probability and consequence factors:

- Demonstrated level of current riverbank stability and probability of failure based on engineering assessment and rigorous analyses of site specific conditions. A riverbank stability condition with a lower factor of safety will be assessed a higher ranking.
- The consequence of failure and, in particular, as relates to potential impact on primary structures or any City infrastructure works. Sites with higher potential of significant loss of primary structures will be assessed a higher ranking.

The Program Administrator will also take into consideration the Consultant's recommended response level and management approach for the site. A response level identified as "urgent" will be assessed a higher ranking than one identified as a "priority".