**Agenda - Council - July 22, 2009**

**Report - Standing Policy Committee on Property and Development – July 13, 2009**

**Item No. 2 Riverbank Stabilization Local Improvement - 916 Cloutier Drive eFile PR-4.5**

STANDING COMMITTEE RECOMMENDATION:

On July 15, 2009, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submits the following to Council:

1. That the following 2009 Local Improvement Project pursuant to Riverbank Stabilization Grant and Local Improvement Tax Financing Program, be proceeded with, namely:

    A. Riverbank Stability Improvement Works including installation of rock-filled columns, rip-rap shoreline erosion control, site re-grading and landscaping/restoration works along the bank of the Red River at the rear of and adjacent to 916 Cloutier Drive in the City of Winnipeg (Project #1420310109).

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

**Report - Standing Policy Committee on Property and Development – July 13, 2009**

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 15, 2009, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On July 13, 2009, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

# ADMINISTRATIVE REPORT

**ISSUE:** **THE UNDERTAKING OF A PROPOSED RIVERBANK STABILIZATION LOCAL IMPROVEMENT PROJECT FOR WINNIPEG CONDOMINIUM CORPORATION NO.168, ON BEHALF OF THE REGISTERED CONDO UNIT OWNERS LOCATED AT 916 CLOUTIER DRIVE AS DEPICTED IN APPENDIX 1:**

**CRITICAL PATH:** **Standing Policy Committee on Property and Development – Executive Policy Committee – Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| B. Cull<br>Manager of Taxation and Finance | N. Karpa<br>Director of Assessment and Taxation | M. Ruta | P. Sheegl<br>Deputy CAO |

## RECOMMENDATIONS

1. That the following 2009 Local Improvement Project pursuant to Riverbank Stabilization Grant and Local Improvement Tax Financing Program, be proceeded with, namely:

   - Riverbank Stability Improvement Works including installation of rock-filled columns, rip-rap shoreline erosion control, site re-grading and landscaping/restoration works along the bank of the Red River at the rear of and adjacent to 916 Cloutier Drive in the City of Winnipeg *(Project #1420310109)*.

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

## IMPLICATIONS OF THE RECOMMENDATIONS

### FINANCIAL IMPLICATIONS

(x) Within approved current and/or capital budget

( ) Current and/or capital budget adjustment required

Comment(s): The Local Improvement financing for this project is included as part of the $3,000,000 in Local Improvement funding for Riverbank Stabilization that was approved by Council on September 24, 2008 and included in the 2009 Adopted Capital Budget.

## HISTORY

***APPROVAL OF THE RIVERBANK STABILIZATION GRANT AND LOCAL IMPROVEMENT TAX FINANCING PROGRAM (THE GRANT PROGRAM)…***

On August 8, 2008, the Planning, Property and Development Department had submitted a Report to the Standing Policy Committee on Property and Development pertaining to the *City of Winnipeg Riverbank Stabilization Local Improvement Tax Financing Program* which states in part:

*"On July 16, 2008, Council adopted the Riverbank Stabilization Grant Program which grants up to 25% of costs for approved projects relating to private property owners collaboratively undertaking riverbank stabilization works with their own forces on privately owned property. Included in the adopted recommendations was Recommendation 4 which states:*

*That consideration is 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 of financing the property owner's portion of the project cost.*

*Since the use of a Local Improvement (LI) process as a method to partially finance property owners' costs for work done on private property and by privately contracted forces represents a departure from the traditional use of the L.I. mechanism, it is recommended that the use of an L.I. tax for riverbank stabilization be specifically defined as part of the riverbank stabilization Program. As such, this would contain the non-traditional use of this L.I. mechanism."*

This Report further states in part:

*"Recommendation(s)*

*1. That Council approves the attached amended Project Requirements, Program Criteria and Process (Appendices A & B) to amend the previously established Riverbank Stabilization Grant Program and rename it the Riverbank Stabilization Grant and Local Improvement Tax Financing Program.*

*3. That the process for approving Local Improvement Authorization by-laws resulting from unanimous petitions for riverbank stabilization projects within this Program be directed in approval to: the Standing Policy Committee on Property and Development; Executive Policy Committee; and then Council."*

On September 15, 2008, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service.

On September 24, 2008, Council concurred in the recommendation of the Standing Policy Committee on Property and Development.

***APPROVAL OF THE FIRST APPLICATION FOR THE GRANT PROGRAM…***

On March 9, 2009, the Planning, Property and Development Department submitted a Report with respect to the Application for City of Winnipeg Riverbank Stabilization Grant by Winnipeg Condominium Corporation No. 168, on behalf of the registered unit owners - 916 Cloutier Drive which states in part:

*"Recommendation*

1.) *That a Riverbank Stabilization Grant to a maximum of $150,000.00 be approved to Winnipeg Condominium Corporation No. 168, for the Marina del Rey Riverbank Stabilization Improvement Works (916 Cloutier Drive).*

2.) *That approved riverbank stabilization works for this project undertaken prior to the execution of the Project Agreement, be deemed eligible for grant and local improvement financing in this instance."*

On May 25, 2009, a *"Petition For"* form was issued to Mr. Bill Witts, Manager of Winnipeg Condominium Corporation No. 168 *(Marina del Rey),* on behalf of the benefiting registered condo unit owners located at 916 Cloutier Drive for this proposed local improvement within the Riel Community and Ward boundary. The City Clerk's Department received the fully signed *"Petition For"* form on May 29, 2009. See Appendix 1 for the location of the Local Improvement.

Therefore, in compliance with Section 125 of *The City of Winnipeg Charter*, it was ascertained and certified by the Manager of Taxation and Finance that the signatures obtained from the benefiting registered condo unit owners on the *"Petition For"* form represent 100% of the total estimated assessable costs, as summarized in Table 1 below.

**Table 1: Local Improvement "Petition For" Results:**

| Project Number | Local Improvement | Petition For (Estimated Cash Cost) [Note 1] | Percentage Signed | City of Winnipeg Riverbank Stabilization Grant (25% of the cost) | Total Estimated Costs Recoverable from the Registered Condo Unit Owners | Estimate of Percentage Recoverable from the Registered Condo Unit Owners |
|---|---|---|---|---|---|---|
| 1420310109 | Riverbank Stabilization | $530,610.90 * | 100% | $132,652.72 | $397,958.18 | 75% |

** Based on a summary dated May 2, 2009 (supported by invoices of which some have been paid by the Corporation) of the actual total costs of the Project (i.e. consultant fees and permits, riverbank improvement work, landscaping, site restoration and tree planting costs) which was provided by Mr. Bill Witts, Manager of the Winnipeg Condominium Corporation No. 168 (Marina del Rey). Please note however, that other costs may be added subsequent to completion of the Project (i.e. legal fees and a final sign off by the Engineer).*

**Note 1:** The estimated costs represent gross project expenditures. These costs will be reduced by up to 25% based on the approval of a grant from the Grant Program.

* * * * * * * * *

It should be noted as well that the Local Improvement financing for the Riverbank Stabilization Grant Program will be subject to key baseline and evaluation criteria of the adopted Grant Program as depicted below:

1. **Maximum Local Improvement Tax Financing prior to the Grant being applied per property - $6,000.00 per riverbank lineal meter**

2. **Maximum Grant per property - $3,000.00 per riverbank lineal meter**

For this project, it has been confirmed by A. Dean Gould P.Eng. & Associates, Geotechnical Consultant, that the *"length of stabilization"* is ***177 meters*** as depicted below:

• ***140 meters*** of riverbank stabilization on the Marina del Rey property has been completed under his supervision and according to design.

• ***15 meters*** of erosion protection has been placed on the west end of the stabilization.

• ***22 meters*** of erosion protection has been placed on the east end of the stabilization through the area up to and around the City of Winnipeg outfall from Baudry Creek.

Therefore, based on the established criteria, the cost of this project is ***within*** the maximum Local Improvement Tax Financing as depicted below:

Estimated cost of the project: ***$530,611***

Maximum Local Improvement Tax Financing prior to the Grant being applied to the property($6,000 per lineal foot): ***$1,062,000*** (177 riverbank lineal meters x $6,000)

Estimated Grant for the property: ***$132,653*** (25% x $530,611)

Maximum Grant for the property: ***$531,000*** ($3,000 x 177 riverbank lineal meters)

Also, in accordance with Section 409(4) of *The City of Winnipeg Charter*, it states:

***"When notice and hearing not required***

***409(4)*** *Subsections (1) to (3) do not apply to a local improvement proposed by a petition signed* by all *of the registered owners, other than the city, of the total real property to be benefited by it."*

Therefore, as this petition was signed by 100% of the registered condo unit owners, it was not necessary to advertise this proposed local improvement.

Given that all of the affected property owners have signed in favor of the local improvement, the Winnipeg Public Service recommends that the Project proceed in adherence to the requirements stipulated under the Grant Program.

## FINANCIAL IMPACT

**Financial Impact Statement** **Date:** June 15, 2009

**Project Name:** **First Year of Program** **2009**

Riverbank Stabilization Local Improvement, Marina Del Rey Project

| | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ 409,896 | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | 409,896 | - | - | - | - |
| Additional Capital Budget Required | $ - | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ - | $ - | $ - | $ - |
| Debt - External | - | - | - | - | - |
| Grant | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - Enter Description Here | - | - | - | - | - |
| Total Funding | $ - | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ - | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| **Direct Costs:** | | | | | |
| Riverbank Stabilization Grant | $ 132,653 | | | | |
| Debt & Finance (I/P Payments) | $ - | $ 37,201 | $ 37,201 | $ 37,201 | $ 37,201 |
| Less: Recovery from condo unit owners | $ - | $ 39,037 | $ 39,037 | $ 39,037 | $ 39,037 |
| Net Cost/(Benefit) | $ 132,653 | $ (1,836) | $ (1,836) | $ (1,836) | $ (1,836) |
| Less: Existing Budget Amounts | $ 132,653 | $ (1,836) | $ (1,836) | $ (1,836) | $ (1,836) |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:**

1. The total estimated project cost is $530,611 (as at May 2009). The Riverbank Stabilization Grant portion is 25% of the estimated total cost, or $132,653. The net cost of $397,958 will be the Local Improvement financing portion to be recovered from the registered condo unit owners. The Local Improvement financing portion of $397,958 is part of the 2009 adopted capital budget for Riverbank Stabilization ($3 million budget adopted for riverbank stabilization).

2. Annual Debt & Finance Charges (I/P Payments) are calculated at 6.50% interest per annum over 20 years (interest rate as stated on Corporate Finance 2010-2012 Budget Development website for Cost of Capital). Debt & Finance charges beyond 2013 (2014-2029) total $595,216.

3. Capital Expenditures Required includes 3% Corp. Finance Administration Charges and all applicable taxes ($397,958 + 3% = $409,896).

4. The cost recovery of $397,958 from the registered condo unit owners is calculated at 7.50% interest per annum over 20 years. Recoveries beyond 2013 (2014 to 2029) total $624,592.

[original signed by]
Radhika Abeysekera
Manager of Finance (Campus)
Corporate Finance Department

## CONSULTATION

**In preparing this Report, there was consultation with:**

**Internal**

Legal Services Division (as to legal issues only)
Planning and Land Use Division of Planning, Property and Development Department

**External**

Marina Del Rey (Winnipeg Condo Corporation No. 168)

## SUBMITTED BY

Department: Assessment and Taxation
Division: Taxation and Finance
Prepared by: G. Wladyka, Senior Local Improvement Clerk
Date: June 19, 2009
File No. : N/A