Agenda – Executive Policy Committee – September 15, 2010

REPORTS

Item No. 10 Grant for Residential Project at 511 River Avenue (Fort Rouge-East Fort Garry Ward) eFile FG-1.1(S)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That Council approve a grant to Stonebridge Development Corporation in respect of the residential development at 511 River Avenue:

(a) in the amount for which Stonebridge Development Corporation had previously been eligible under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007) estimated to be $595,630, to a maximum of $690,000;

(b) utilizing the payment structure set out in the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007); and

(c) on condition that Stonebridge Development Corporation meets the eligibility conditions otherwise applicable under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007).

ADMINISTRATIVE REPORT

Title: ***Grant for Residential Project at 511 River Avenue***

Critical Path: **Executive Policy Committee -- Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
S Dueck	D Joshi	M Ruta	P Sheegl, Deputy CAO

RECOMMENDATIONS

That Council approve a grant to Stonebridge Development Corporation in respect of the residential development at 511 River Avenue

(a) in the amount for which Stonebridge Development Corporation had previously been eligible under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007) estimated to be $595,630, to a maximum of $690,000;

(b) utilizing the payment structure set out in the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007); and

(c) on condition that Stonebridge Development Corporation meets the eligibility conditions otherwise applicable under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007).

REASON FOR THE REPORT

The Neighbourhood Multiple Family / Mixed-Use Building Grant Program (NMFMUBG Program) established under By-law 122/2007 expired on June 1, 2010. Conditional approval for the project at 511 River Ave under this program was granted but expired July 2, 2010 as no building permit had yet been issued. Since an active program no longer exists, under which the Public Service can process new applications, it is necessary to request that Council approve a grant.

IMPLICATIONS OF THE RECOMMENDATIONS

- Granting funding equivalent to that previously conditionally approved under the NMFMUBG Program has been identified as a critical element of total project financing and would allow this project to proceed as planned. The applicant states that a lack of City funding may put at risk the project which will convert a long-standing vacant building in one of Winnipeg's Rehabilitation Neighbourhoods.
- The conversion project is an innovative approach to revitalize a long-standing vacant building and would provide 46 new attainably-priced dwelling units in a neighbourhood adjacent to the Downtown.
- The funding for this grant is within the amount previously allocated by Council for use within the NMFMUBG Program.
- The date Council's approval of this grant will be considered the date of conditional approval as outlined in the By-law.

HISTORY

The Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007) (NMFMUBG) was a three-year program that expired on June 1, 2010.

The project at 511 River Ave involves the redevelopment of a century-old building and former First Church of Christ Scientist into 46 1-bedroom condominium units. The estimated project cost at the time of application was $8.9M including acquisition costs of over $700k.

The developer applied for funding under the NMFMUBG Program and was granted conditional approval by the Public Service on July 2, 2009. The conditionally approved grant was for an estimated $595,630 based on estimated incremental taxes with a project maximum of $690k.

One of the eligibility conditions of the grant as outlined in the By-law is that the project must have building permits issued within 12 months of the conditional approval. This particular project was delayed in part due to the complexities and time involved in acquiring seven zoning variances (some related to parking including the creation of the City's first co-op car share program), in part due to the pre-sale requirements associated with the financing conditions of this unique project, and in part due to the architectural complexities associated with the conversion of an existing building. As such, the applicant missed this 12 month milestone on July 2, 2010 and become ineligible for the grant. The applicant is ready to submit a building permit application immediately upon confirmation of this grant.

FINANCIAL IMPACT

Financial Impact Statement Date: September 3, 2010

Project Name:

COMMENTS:

The recommendations contained in this report will not result in any out-of-pocket costs for the City. The proposed maximum total grant of $690,000 is to be financed by and paid out upon realization of increased tax revenues generated by the project (utilizing the same payment structure as set out in the Neighbourhood Multiple Family / Mixed-Use Building Grant Program - By-law 122/2007).

As such, there are no financial implications associated with this report.

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

CONSULTATION

SUBMITTED BY

Department: Planning, Property and Development
Division: Housing Development
Prepared by: Stan Dueck
Date: *September 7, 2010*
File No.